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# STATUTES OF CALIFORNIA

1983–84

REGULAR SESSION

1983 CHAPTERS

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## CHAPTER 1

An act to amend Section 9420 of the Elections Code, relating to county central committee meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 9, 1982. Filed with  
Secretary of State December 9, 1982.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 9420 of the Elections Code is amended to read:

9420. (a) Each committee shall meet in the courthouse at its county seat, upon call which shall be given by the county clerk of the county and in quarters to be arranged or provided for by the county clerk of the county, on the first Monday after the first day in January following the direct primary.

(b) If the day designated by subdivision (a) falls upon the same date as inauguration events following the election of a new Governor and if one or more members of the committee so requests, the meeting shall be called for the next following Monday.

Requests for postponement under this section shall be in writing and shall be served on the county clerk of the county no later than 15 days prior to the day designated under the provisions of subdivision (a).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the provisions of this act applicable to the upcoming inaugural festivities following the election of a new Governor, it is necessary that this act take effect immediately.

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CHAPTER 2

An act to amend Sections 9160.5 and 9324 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 19, 1983. Filed with  
Secretary of State January 19, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 9160.5 of the Elections Code is amended to read:

9160.5. The following are members of the state central

committee:

(a) Each officer named in subdivision (a) of Section 9160 who was nominated and elected as a candidate of the party and whose term of office extends beyond the first Monday in December in the case of legislators and the Monday after January 1 in the case of other officers next following the direct primary election, or the appointee or successor appointed, elected, or otherwise designated by law to fill a vacancy in the office of any such officer. These members are "holdover members."

(b) (1) Except as provided in paragraph (2), each candidate of the party in whose behalf nomination papers were filed and who was nominated at the direct primary election or at a special primary election by that party. These members are "nominee members." Nominees for an office the term of which extends beyond two years are members until the direct primary election at which nominations for the office are again to be made. If a nominee is elected to the office to which he was nominated at the succeeding general election, he shall be considered a "holdover member."

(2) (A) If the person most recently nominated to the Senate, Assembly, or House of Representatives received less votes for the particular office at the ensuing General Election than a write-in candidate for the same office, and the write-in candidate is elected to that office at that ensuing General Election, the write-in candidate shall, for the purposes of this part, be considered a "holdover member," provided that the write-in candidate's affidavit of registration reflects that that candidate has been affiliated with the party for at least 6 months prior to the General Election.

(B) The person described in subparagraph (A) who was nominated to legislative office or to the House of Representatives but who was not elected to the particular office shall be designated as a "nominee member." Any person designated as a "nominee member" pursuant to this subparagraph shall be entitled to all the rights and privileges as provided other nominee members of the committee.

(c) One member appointed for each of the officers named in subdivision (a) of Section 9160, not represented by a "holdover member" nor by a "nominee member" of the party. These members shall be chosen and appointed in the manner provided in subdivision (e) of this section. These members are "appointive members."

(d) (1) Except as provided in paragraph (2), if a person qualifies more than once to be a member that person shall be a member by virtue of the most recent qualification. The resulting vacancy shall be filled pursuant to subdivision (e).

(2) If a person qualifies more than once to be a member and one of the qualifications to the committee, which is not the most recent qualification, is by virtue of the person being a holdover member, that person shall be considered a holdover member. In this instance, the resulting vacancy shall be filled pursuant to subdivision (e).

(e) Vacancies in nominee or holdover memberships shall be filled

as follows:

(1) If the vacancy occurs in a senatorial or Assembly district situated wholly within the limits of a single county, by appointment by the county central committee of the party in the county. Whenever such a vacancy occurs by virtue of the failure to nominate a person affiliated with the party, no person shall be chosen to fill the vacancy who does not reside in the senatorial or Assembly district involved.

(2) If the vacancy occurs in a senatorial or Assembly district comprising two or more counties, by appointment by the county central committee of the party in the county in which the disqualified or deceased member resided, if the vacancy is caused by disqualification or death, or in which the "holdover" or "nominee member" of the opposing party resides, if the vacancy is due to any other cause.

(3) If the vacancy occurs as to a member for a United States Senator from California or as to a member for any of the state officers named in subdivision (a) of Section 9160, by appointment by the state central committee.

(4) If the vacancy occurs as to a member for any Representative in Congress from California, by appointment by the state central committee of a voter who resides within the congressional district to be represented.

(f) A county central committee may authorize its chairman to appoint members to fill vacancies in the membership which the county central committee has power to fill.

SEC. 2. Section 9324 of the Elections Code is amended to read:

9324. (a) In each county the nominee of the party for State Senator, the nominees of the party for the Assembly, and any person nominated to either the Senate or Assembly at a special election to fill a vacancy in the house, and the nominee of the party for Representative in Congress shall be ex officio members of this committee. If the person most recently nominated or elected from one party at the special election for an Assembly or Senate seat, or for the House of Representatives shall be other than the nominee of that party for the same office at the earlier election, the ex officio membership of the latter nominee shall expire immediately upon certification by the Secretary of State of the nomination or, if there is no runoff, the election of the person most recently nominated or elected. Ex officio members shall be entitled to all the rights and privileges, including the right to vote, and shall have the same standing in every way as other members of this committee, except they shall not be entitled to a ballot designation of incumbent upon seeking election to this committee in the next direct primary. A person shall be entitled to ex officio membership upon receiving a certificate of nomination from the Secretary of State pursuant to Section 6617, at which time the former nominee's term shall expire.

(b) If the person most recently nominated to the Senate, Assembly, or House of Representatives received less votes for the

particular office at the ensuing General Election than a write-in candidate for the same office, and the write-in candidate is elected to that office the write-in candidate shall, for purposes of this part, be considered the ex officio member of each affected county, provided that the write-in candidate's affidavit of registration reflects that that candidate has been affiliated with the party for at least six months prior to the General Election.

(c) If a write-in candidate is entitled to ex officio membership on each affected county central committee pursuant to subdivision (b), each affected county central committee shall, designate the party nominee described in subdivision (b) as an additional ex officio member to its committee. Any person designated as an ex officio member under this subdivision shall be entitled to all the rights and privileges as other ex officio members of the committee.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the provisions of this act can be made applicable to the Republican State Central Committee and to the several Republican county central committees during 1983, it is necessary that this act take effect immediately.

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## CHAPTER 3

An act to amend Section 700.01 of the Insurance Code, and to amend Section 3 of Chapter 389 of the Statutes of 1982, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 18, 1983. Filed with  
Secretary of State February 18, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 700.01 of the Insurance Code is amended to read:

700.01. In addition to any or all of the classes of insurance which it is permitted to transact by all other applicable provisions of this code, any incorporated insurer admitted or hereafter admitted for one or more of the classes of insurance stated in Section 100, except life, title, mortgage, or mortgage guaranty shall (subject to any limitations contained in its articles of incorporation or charter) be admitted after October 1, 1953, for any or all of the following classes, upon making application therefor and complying with all applicable requirements of law, if its paid-in capital is not less than one million three hundred thousand dollars (\$1,300,000) or the aggregate of the amounts hereinafter set forth opposite the classes transacted by it in

the United States if an alien insurer, or in any jurisdiction if other than an alien insurer, whichever is lower; provided, that the paid-in capital of incorporated insurers not transacting either fire, marine or surety insurance making application under this section shall be at least one hundred fifty thousand dollars (\$150,000) in excess of such aggregate amount. In no event shall any incorporated insurer, as a condition for its admission, be permitted to have a paid-in capital of less than five hundred thousand dollars (\$500,000) or be required to have a paid-in capital in excess of one million three hundred thousand dollars (\$1,300,000) for any or all of the classes of insurance hereinafter set forth.

<i>Number and name of class</i>	<i>Amount of capital</i>
2. Fire .....	\$200,000
3. Marine .....	200,000
5. Surety .....	250,000
6. Disability .....	50,000
7. Plate glass .....	50,000
8. Liability	} .....100,000 for any or all of these
9. Workers' compensation	
10. Common carrier liability	
11. Boiler and machinery .....	50,000
12. Burglary .....	50,000
13. Credit .....	50,000
14. Sprinkler .....	50,000
15. Team and vehicle .....	50,000
16. Automobile .....	100,000
18. Aircraft .....	50,000
20. Miscellaneous .....	50,000

This section shall not be applicable to life, title, mortgage, or mortgage guaranty insurance, and an insurer now or hereafter admitted to transact life, title, mortgage, or mortgage guaranty insurance shall not be admitted under the provisions of this section, but its admission is governed by other applicable provisions of this code.

Insurers admitted for one or more classes of insurance on December 31, 1981, shall be governed by the provisions of this section in effect on December 31, 1981.

Insurers which were issued a permit prior to July 7, 1982, authorizing the organization of the insurer and which were admitted for one or more classes of insurance before January 1, 1983, shall also be governed by the provisions of this section in effect on December 31, 1981.

SEC. 2. Section 3 of Chapter 389 of the Statutes of 1982 is amended to read:

Sec. 3. The provisions of Section 1 of Chapter 389 of the Statutes of 1982 shall be effective only with respect to the issuance of an initial certificate of authority on or after January 1, 1982, with respect to any applicant therefor.

However, Section 1 of Chapter 389 of the Statutes of 1982 shall not be applicable where a permit was issued prior to July 7, 1982, authorizing the organization of an insurer, and the insurer was admitted for one or more classes of insurance before January 1, 1983, but that insurer shall be governed by the provisions of Section 700.01 of the Insurance Code in effect on December 31, 1981.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent the application of the increased paid-in capital requirements imposed by Chapter 389 of the Statutes of 1982 to situations where an insurer was permitted to be organized before July 7, 1982, and was admitted prior to the effective date of that act, it is necessary that this act take effect immediately.

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## CHAPTER 4

An act to amend Section 23083.5 of the Business and Professions Code, relating to fiscal affairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 10, 1983. Filed with  
Secretary of State March 10, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. It is the intent of the Legislature in this act to make certain changes in the law necessary to implement the Budget Act of 1982.

SEC. 2. Section 23083.5 of the Business and Professions Code is amended to read:

23083.5. (a) The board shall establish a surcharge applicable to the annual fees provided for in Section 23320.

(b) The surcharge set by the board shall be proportionate to the fee charged to each licensee pursuant to Section 23320 and shall provide an amount which is sufficient to pay the actual costs of the board in carrying out its duties commencing July 1, 1982. The surcharge shall not exceed 3 percent applied to the annual fees provided for in Section 23320, but shall otherwise be adjusted periodically to ensure that sufficient amounts are collected to pay these costs. The surcharge shall be collected on behalf of the board by the Department of Alcoholic Beverage Control at the same time the department makes its regular collections of annual fees pursuant

to Sections 23320 and 23320.2.

(c) All surcharges collected by the Department of Alcoholic Beverage Control on behalf of the board pursuant to this section shall be deposited in the Alcoholic Beverage Control Appeals Fund, which is hereby created. All moneys in the Alcoholic Beverage Control Appeals Fund shall be available to the board, when appropriated by the Legislature, to pay the actual costs of the board in carrying out its duties, commencing July 1, 1982, under this chapter.

SEC. 3. All filing fees which were collected pursuant to Section 23083.5 of the Business and Professions Code prior to the effective date of this act, shall be returned to the appellants who paid them. Each timely appeal which had been delivered to the board for filing after August 29, 1982, without payment of the filing fee specified by Section 23083.5 of the Business and Professions Code prior to its amendment by this act at the 1983-84 Regular Session of the Legislature, shall be filed by the board.

SEC. 4. If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act, which would provide necessary statutory adjustments to implement the Budget Act of 1982, may take effect during the 1982-83 fiscal year and in time for the department's schedule of computer programming in March 1983, it is necessary that this act take effect immediately.

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## CHAPTER 5

An act to amend Sections 25342, 25345 and 25356.5 of the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 21, 1983 Filed with  
Secretary of State March 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25342 of the Health and Safety Code is amended to read:

25342. On or before March 1, 1982, and March 1 of each year thereafter, every person who submitted for disposal offsite, or who disposed of onsite, hazardous waste or extremely hazardous waste in the state during the preceding calendar year shall report to the board

the following information:

(a) The total amount of hazardous or extremely hazardous waste, as defined by Sections 25117 and 25115, respectively, the federal regulation of which has been suspended under the Solid Waste Disposal Act (42 U.S.C. Sec. 6901 et seq.) by act of Congress, which that person has disposed of, or submitted for disposal, in the state, plus the total amount of hazardous or extremely hazardous waste and material, which that person has transferred to a surface impoundment in the state for purposes of reducing the water content of the waste and material by evaporation, plus the total amount of hazardous waste disposed of into an injection well or landfarm, as defined in subdivision (g) of Section 25345, exclusive of that waste specified in subdivision (d).

(b) The total amount of hazardous waste disposed of, or submitted for disposal, in the state by that person, exclusive of that waste specified in subdivisions (a), (c), and (d).

(c) The total amount of extremely hazardous waste disposed of, or submitted for disposal, in the state by that person, exclusive of that waste specified in subdivisions (a), (b), and (d).

(d) The total amount of hazardous or extremely hazardous waste that person has disposed of, or submitted for disposal, in the state from the extraction, beneficiation, and processing of ores and minerals, including phosphate rock and overburden from mining of uranium ore.

SEC. 2. Section 25345 of the Health and Safety Code is amended to read:

25345. (a) There is hereby imposed a tax, payable annually, and to be collected by the board, upon each ton or fraction thereof, of waste and material specified in Section 25342, according to the formula specified herein. The board shall set the base tax rate upon the waste and material specified in Section 25342 in accordance with the following formula:

$$\text{Base tax rate} = \frac{(\$10,000,000 - M)}{(0.15W_1 + W_2 + 2W_3 + 0.01W_4)}$$

where:

(1) "M" is the existing unobligated balance in the fund (M shall equal zero (0) for June 30, 1982). As used in this article, "unobligated balance" means all unencumbered funds in the account as of June 30, as estimated on March 1 of each year, less:

(A) Any funds in the reserve account for emergencies established by Section 25354.

(B) Any remaining principal of the loan authorized by Section 25332.

(C) Any interest due on any remaining principal of the loan authorized by Section 25332.

(D) Any funds paid as taxes for the following fiscal year.



(E) Any funds received from the federal government pursuant to the federal act.

The unobligated balance shall not be less than zero (0).

(F) Any funds in the state account subject to the rebate specified in Section 25347.2.

(2)  $W_1$  is the total amount in tons of waste and material specified in subdivision (a) of Section 25344.

(3)  $W_2$  is the total amount in tons of waste specified in subdivision (b) of Section 25344.

(4)  $W_3$  is the total amount in tons of waste specified in subdivision (c) of Section 25344.

(5)  $W_4$  is the total amount in tons of waste specified in subdivision (d) of Section 25344.

(b) On or before May 1 of each year, using the formula specified in subdivision (a), the board shall determine the base tax rate for the current year.

(c) The tax imposed upon each person subject to Section 25342 shall be assessed according to the following formula:

$$\text{Tax} = (\text{base tax rate}) \times (0.15 P_1 + P_2 + 2P_3 + 0.01P_4)$$

where:

(1) "Base tax rate" equals the figure determined pursuant to subdivision (a).

(2)  $P_1$  is the amount in tons of waste and material specified by the person pursuant to subdivision (a) of Section 25342.

(3)  $P_2$  is the amount in tons of waste specified by the person pursuant to subdivision (b) of Section 25342.

(4)  $P_3$  is the total amount in tons of waste specified by the person pursuant to subdivision (c) of Section 25342.

(5)  $P_4$  is the total amount in tons of waste specified by the person pursuant to subdivision (d) of Section 25342.

(d) On or before May 1 of each year, the board shall send to each person subject to Section 25342 a notice of assessment.

(e) On or before July 1 of each year, each person subject to Section 25342 shall pay to the board the amount of the assessment as stated in the notice. The tax under this chapter shall not be imposed again on hazardous waste or extremely hazardous waste if the waste, or any portion thereof, is removed subsequently to another place for disposal and if the person has paid the amount of assessment for the waste in accordance with this section before the removal thereof.

(f) Notwithstanding any other provision of this section, hazardous wastes disposed of into an injection well during the 1981 calendar year shall be subject to a tax rate that does not exceed 26.4 percent of the base tax rate, as determined in subdivision (a), per ton or fraction thereof.

(g) For purposes of this article, the following definitions apply:

(1) "Injection well" means a bored, drilled or driven shaft, whose depth is greater than the largest surface dimension, and which is

used to inject hazardous waste into an underground formation. Injection well does not mean any well located in class I or a class II-I disposal site, as defined in Sections 2510 and 2511 of Title 23 of the California Administrative Code, on September 25, 1981.

(2) "Formation" means a body of rock characterized by a degree of lithologic homogeneity which is prevailing, but not necessarily, tabular and is mappable on the earth's surface or traceable in the subsurface.

(3) "Landfarm" means a waste management technique, conducted within a hazardous waste facility which has received a hazardous waste facilities permit or has obtained interim status pursuant to Article 9 (commencing with Section 25200) of Chapter 6.5 of Division 20, or pursuant to Section 6925 of Title 42 of the United States Code. This waste management technique consists of applying oily wastes, biodegradable wastes, or both wastes onto land and incorporating them into the surface of the soil and, by controlling critical parameters of alkalinity and acidity, moisture content, and soil texture, enhancing the aerobic biodegradation of the waste into carbon dioxide, water, and humus. Landfarming is a managed process which changes the physical, chemical, or biological composition of hydrocarbon wastes, and it does not include any other land disposal practices, including, but not limited to, landfilling or codisposal.

SEC. 3. Section 25356.5 of the Health and Safety Code is amended to read:

25356.5. On or before October 1 of each fiscal year, the department shall provide a report to the Legislature which contains all of the following information:

(a) The actual funds expended for each site listed during the preceding year pursuant to Section 25356.

(b) The state's efforts to obtain available federal funds for the purposes of this chapter.

(c) An accounting of federal funds which have been obtained by, or committed to, the state.

(d) The state's efforts to obtain contributions to removal or remedial actions from potentially responsible parties.

SEC. 4. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the March 1 filing deadline for the reporting of the disposal

amounts of hazardous waste, and in order to insure the efficient and equitable administration of the Hazardous Substance Account tax, it is necessary that this act take effect immediately.

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## CHAPTER 6

An act to amend Section 63 of, and to add Sections 63.1 and 63.2 to, the Civil Code, and to amend Sections 14853 and 14854 of the Financial Code, relating to minors.

[Approved by Governor March 29, 1983 Filed with  
Secretary of State March 30, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 63 of the Civil Code is amended to read:

63. An emancipated minor shall be considered as being over the age of majority for the following purposes:

(a) For the purpose of consenting to medical, dental, or psychiatric care, without parental consent, knowledge, or liability.

(b) For the purpose of the minor's capacity to do any of the following:

(1) Enter into a binding contract.

(2) Buy, sell, lease, encumber, exchange, or transfer any interest in real or personal property, including but not limited to shares of stock in a domestic or foreign corporation or a membership in a nonprofit corporation.

(3) Sue or be sued in his or her own name.

(4) Compromise, settle, arbitrate, or otherwise adjust a claim, action, or proceeding by or against the minor.

(5) Make or revoke a will.

(6) Make a gift, outright or in trust.

(7) Convey or release contingent or expectant interests in property, including marital property rights and any right of survivorship incident to joint tenancy, and consent to a transfer, encumbrance, or gift of marital property.

(8) Exercise or release his or her powers as donee of a power of appointment unless the creating instrument otherwise provides.

(9) Create for his or her own benefit or for the benefit of others a revocable or irrevocable trust.

(10) Revoke a revocable trust.

(11) Elect to take under or against a will.

(12) Renounce or disclaim any interest acquired by testate or intestate succession or by inter vivos transfer, including exercising the right to surrender the right to revoke a revocable trust.

(13) Make an election or an election and agreement referred to in Section 202 of the Probate Code.

(c) For the purpose of the minor's right to support by his or her

parents.

(d) For purposes of the rights of the minor's parents or guardian to the minor's earnings, and to control the minor.

(e) For the purpose of establishing his or her own residence.

(f) For purposes of the application of Sections 300 and 601 of the Welfare and Institutions Code.

(g) For purposes of applying for a work permit pursuant to Section 49110 of the Education Code without the request of his or her parents or guardian.

(h) For the purpose of ending all vicarious liability of the minor's parents or guardian for the minor's torts; provided, that nothing in this section shall affect any liability of a parent, guardian, spouse, or employer imposed by the Vehicle Code, or any vicarious liability which arises from an agency relationship.

(i) For the purpose of enrolling in any school or college.

SEC. 2. Section 63.1 is added to the Civil Code, to read:

63.1. An insurance contract entered into by an emancipated minor has the same effect as if it were entered into by an adult and, with respect to such a contract, the minor has the same rights, duties, and liabilities as an adult.

SEC. 3. Section 63.2 is added to the Civil Code, to read:

63.2. With respect to any shares of stock in a domestic or foreign corporation held by an emancipated minor, any membership in a nonprofit corporation held by an emancipated minor, or any other property held by an emancipated minor, the minor may do all of the following:

(a) Vote in person, and give proxies to exercise any voting rights, with respect to such shares or memberships or property.

(b) Waive notice of any meeting or give consent to the holding of any meeting.

(c) Authorize, ratify, approve, or confirm any action which could be taken by shareholders, members, or property owners.

SEC. 4. Section 14853 of the Financial Code is amended to read:

14853. A credit union may issue shares or certificates for funds to a minor of any age or maintain any other account authorized for credit union members for a minor, and receive payments thereon by or for the minor. The minor is entitled to withdraw, transfer, or pledge any shares or certificates or other moneys owned by him or her and to receive from the credit union all dividends, interest, or other money due thereon in the same manner and subject to the same conditions as an adult. The receipt or acquittance of a minor constitutes a valid release and discharge of the credit union for the payment of dividends, interest, or other money due to the minor.

SEC. 5. Section 14854 of the Financial Code is amended to read:

14854. Shares or certificates for funds owned in joint tenancy, whether the joint tenants are minors or adults, and all dividends and interest thereon, may be paid to any of the joint tenants during their lifetime or to the survivor or any one of the survivors of them after the death of one or more of the joint tenants. By written instructions

of all joint tenants given to the credit union, the joint tenants may require the signatures of more than one of those persons during their lifetimes or of more than one of the survivors after the death of any one of them on any notice of withdrawal, request for withdrawal, check endorsement or receipt, in which case the credit union shall pay withdrawals, dividends, and interest only in accordance with those instructions, but those instructions shall not limit the right of the sole survivor or of all of the survivors to receive withdrawal payments, dividends, and interest. Payment as provided in this section and the receipt or acquittance by any joint tenant is a valid and sufficient release and discharge of the depository credit union for all payments made on account of shares or certificates for funds owned in joint tenancy prior to the receipt by the credit union of notice in writing from any one of them not to make payments in accordance with the terms of the shares or certificates for funds or of the written instructions. After receipt of the notice a credit union may refuse, without liability, to pay withdrawals, dividends, or interest pending a determination of the rights of the parties.

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## CHAPTER 7

An act to add Section 78201.7 to the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 29, 1983. Filed with  
Secretary of State March 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 78201.7 is added to the Education Code, to read:

78201.7. Notwithstanding any other provision of law, the governing board of a community college district may grant credit for any course or program offered in the 1982-83 fiscal year as a noncredit or community service class, for which a fee was charged, if that course or program has maintained the academic standards required for credit classes under Chapter 1 (commencing with Section 55000) of Division 6 of Title 5 of the California Administrative Code, and if that course or program was offered for credit during fiscal year 1981-82 and is no longer state funded as a result of policies and guidelines adopted by the Board of Governors in conformance with Proviso Number 11 of Item 6870-101-001 of the Budget Act of 1982 (Chapter 326, Statutes of 1982).

Fees may be charged for the course or program pursuant to Section 78305.

This section shall be operative only for the 1982-83 fiscal year, and is not intended to establish a state policy that fees be charged for

credit courses.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable second year community college students to complete the courses of study which they began in the 1981-82 fiscal year, where these courses of study have had state funding discontinued in the 1982-83 fiscal year, it is necessary that this act take effect immediately.

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## CHAPTER 8

An act to amend Section 8682 of, and to add Section 10100.7 to, the Streets and Highways Code, relating to improvement acts.

[Approved by Governor March 29, 1983 Filed with  
Secretary of State March 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8682 of the Streets and Highways Code is amended to read:

8682. A copy of the order of the legislative body determining the assessments remaining unpaid and upon the security of which bonds are issued shall be filed in the office of the auditor. The auditor shall keep a record in his office showing the several installments of principal and interest on the assessments which are to be collected in each year during the term of the bonds. The auditor shall annually enter in his assessment roll on which taxes will next become due, opposite each lot or parcel of land affected in a space marked "public improvement assessment," or by other suitable designation, the several installments of the assessment coming due during the fiscal year covered by the assessment roll, including in each case the interest due on the total unpaid assessments, and also including a percentage of 1 percent of the amount of the installments and of the interest so entered; provided that the percentage may be increased by the legislative body in any amount up to a maximum of 5 percent of the amount of the installments and of the interest so entered if the legislative body finds that the expenses of collection exceed the 1 percent specified above, but in no event shall the increased amount exceed the city treasurer's estimate of the expenses of collection and regardless of the percentage increase in the amount of the installments and the interest which the legislative body may order, the amount to be added to the installments for any lot or parcel of land may not exceed three dollars (\$3). The expenses of collection shall include necessary administrative expenses of the city incurred in providing the auditor with current information regarding the

ownership or division of the affected lots or parcels of land to ensure the proper entry by the auditor in his assessment roll of the several installments of the assessment coming due during the fiscal year covered by the assessment roll and the timely collection of the installments. The percentages, and the amount represented thereby, when collected shall belong to the city and shall cover the expenses and compensation of the city treasurer incurred in the collection of the assessments, and of the interest and penalties thereon. No other percentage or amount shall be claimed for the collections.

SEC. 2. Section 10100.7 is added to the Streets and Highways Code, to read:

10100.7. The legislative body of any municipality which has entered into an agreement with an owner or owners of land within the municipality whereby the owner or owners have constructed or acquired water system facilities, including wells, pumps, dams, reservoirs, storage tanks, pipes, hydrants, meters or other appurtenances for supplying or distributing a domestic water supply, or sewer system facilities, including sewers, pipes, conduits, manholes, treatment and disposal plants, connecting sewers and appurtenances for providing sanitary sewer service, or capacity in these facilities, and have transferred the facilities or capacity to the municipality to be utilized by it for providing water or sewer service, or both, to the land of the owner or owners, and whereby the municipality has agreed to refund or reimburse to the owner or owners the cost of the facilities or capacity or any portion thereof out of connection fees or other revenues or funds of the municipality, including an assessment levied upon the land of the owner or owners or proceeds from the sale of bonds issued pursuant to this division, may upon obtaining the written consent of the owner or owners conduct proceedings pursuant to this division for the formation of an assessment district over and including the land of the owner or owners and levying an assessment thereon and issuing bonds as authorized by Chapter 7 (commencing with Section 10600), for the purpose of satisfying its refund or reimbursement obligation to the owner or owners. The municipality may, upon obtaining the written consent of the owner thereof, include in the assessment district, and levy an assessment upon, any land which will benefit from the water or sewer system facilities, or both, or capacity therein, whether or not the land is owned by the owner or owners who are parties to the agreement with the municipality, but may not include in an assessment district the land of any owner who does not consent in writing thereto.

## CHAPTER 9

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 29, 1983. Filed with  
Secretary of State March 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions, and other entities:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

Air pollution control districts.

Air quality management districts.

Airport districts.

Assessment districts.

Bridge and highway districts.

Bridge, highway, and transportation districts.

California water district distribution districts.

California water district improvement districts.

California water districts.

Cemetery districts.

Citrus pest control districts.

City general improvement district improvement districts.

City general improvement districts.

City maintenance districts.

Community college districts.

Community facilities districts.

Community service district improvement districts.

Community service districts.

Conservancy districts.

County boards of education.

County drainage districts.

County fire protection districts.

County flood control and water districts.

County free library systems.

County maintenance districts.

County power pumping districts.

County sanitation district improvement districts.

County sanitation districts.



County service area improvement areas.

County service areas.

County sewage and water districts.

County water agencies.

County water authorities.

County water district improvement districts.

County water districts.

County waterworks districts.

Crossing guard maintenance districts.

Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.

Drainage districts.

Fire protection districts.

Flood control and water conservation districts.

Flood control districts.

Garbage and refuse disposal districts.

Garbage disposal districts.

Harbor districts.

Harbor improvement districts.

Harbor, recreation, and conservation districts.

Highway districts.

Highway interchange districts.

Highway lighting districts.

Horticultural development districts.

Horticultural protection districts.

Housing authorities.

Industrial development authority.

Irrigation district distribution districts.

Irrigation district improvement districts.

Irrigation districts.

Joint harbor improvement districts.

Joint highway districts.

Joint municipal sewage disposal districts.

Junior college districts.

Levee districts.

Library districts.

Local health districts.

Local hospital districts.

Metropolitan transit development boards.

Metropolitan water districts.

Mosquito abatement districts.

Mosquito abatement or vector control districts.

Municipal facilities districts.

Municipal improvement assessment districts.

Municipal improvement district improvement districts.

Municipal improvement districts.

Municipal port districts.

Municipal sewer districts.

Municipal utility districts.  
Municipal water district improvement districts.  
Municipal water districts of any kind.  
Parking authorities.  
Parking districts.  
Park, recreation, and parkway districts.  
Permanent road divisions.  
Pest abatement districts.  
Port districts.  
Project areas of redevelopment agencies.  
Protection districts.  
Public cemetery districts.  
Public utility district improvement districts.  
Public utility districts.  
Rapid transit authorities.  
Rapid transit districts.  
Reclamation districts.  
Recreational harbor districts.  
Recreation and park districts.  
Recreation, park, and parkway districts.  
Redevelopment agencies.  
Regional open-space districts.  
Regional park and open-space districts.  
Regional park districts.  
Regional planning districts.  
Resort improvement districts.  
Resource conservation districts.  
River port districts.  
Road districts.  
Sanitary agencies.  
Sanitary districts.  
Sanitary districts annexed areas.  
School districts of any kind or class.  
Separation of grade districts.  
Sewer maintenance districts.  
Special transit service districts.  
Storm water districts.  
Transit districts.  
Underground utility districts.  
Unified air pollution control districts.  
Unified port districts.  
Urban renewal agencies.  
Vehicle parking districts.  
Veterans' memorial districts.  
Water agencies.  
Water authorities.  
Water conservation districts.  
Water districts.  
Water replenishment districts.

Water storage district improvement districts.

Water storage districts.

Weed abatement districts.

Zones of community service districts.

Zones of county water agencies.

Zones of county water authorities.

Zones of county waterworks districts.

Zones of flood control and water conservation districts.

Zones of flood control districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger, or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board, or agency heretofore done or taken upon the question

of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid, and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid, and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for the authorization, issuance, sale, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior

provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of such matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the First Validating Act of 1983.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

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## CHAPTER 10

An act to add and repeal Section 8151 of, and to add Section 8231.5 to, the Fish and Game Code, relating to commercial fishing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 4, 1983. Filed with  
Secretary of State April 4, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8151 is added to the Fish and Game Code, to read:

8151. (a) Notwithstanding Section 8150.5, the tolerance for sardines taken incidentally to other fishing operations and mixed with other fish in a load shall be 25 percent if, using the mackerel fishery as an indicator, the overall percentage of incidentally taken sardines mixed with jack mackerel and Pacific mackerel during the preceding month exceeded 5 percent. Thereafter, the tolerance shall increase by additional 10-percent increments whenever the overall percentage of incidentally taken sardines during the preceding

month exceeded one-third of the previously established tolerance. The overall percentage of incidentally taken sardines shall be determined monthly by dividing the weight of sardines taken incidentally with jack mackerel and Pacific mackerel by the weight of all jack mackerel, Pacific mackerel, and sardines landed by the mackerel fishery.

(b) In the event the overall percentage of incidentally taken sardines has been less than one-fourth of the tolerance in effect during the preceding three-month period and the tolerance has not been adjusted during this three-month period, the tolerance for incidentally taken sardines shall be decreased by deducting one 10-percent increment from the tolerance.

(c) Under no circumstances shall the tolerance be higher than 45 percent or less than 15 percent.

(d) The department shall inform the commission of any change in the status of the tolerance for incidentally taken sardines, and the commission shall immediately direct the department to notify commercial fishermen of the status of the tolerance by broadcasting on VHF Channel 16 between 0800 hours and 1000 hours during the first five business days of each calendar month. It shall be the responsibility of commercial fishermen to monitor this radio channel during the specified hours or otherwise to be aware of the status of the tolerance for incidentally taken sardines.

(e) The commission shall hold public hearings to consider the implementation of this section and shall report annually to the Legislature on the status of the sardine resource and may also make recommendations to the Legislature regarding this section or its implementation.

(f) This section shall remain in effect until July 1, 1985, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1985, deletes or extends that date.

SEC. 2. Section 8231.5 is added to the Fish and Game Code, to read:

8231.5. Notwithstanding subdivision (a) of Section 8231, "commercial salmon permit" does not include any permit issued to an individual prior to 1982 if that individual had qualified for the permit solely on the basis of former Section 8233, as repealed by Chapter 16 of the Statutes of 1981.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

As the sardine resource continues to be rehabilitated, the increase in sardines is having the unintended present effect of impeding the legitimate fishing activities of commercial fishermen thus imperiling their livelihood. In addition, it may be possible for persons to qualify for a commercial salmon permit on the basis of a repealed provision of law. In order to avoid unnecessary hardship on commercial fishermen and their families, and to prevent persons qualifying for

commercial salmon permits for the 1983 season on the basis of a repealed law, it is necessary that this act take effect immediately.

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## CHAPTER 11

An act to add Section 27491.47 to the Government Code, relating to coroners.

[Approved by Governor April 5, 1983. Filed with  
Secretary of State April 5, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 27491.47 is added to the Government Code, to read:

27491.47. (a) Notwithstanding any other provision of law, the coroner may, in the course of an autopsy, remove and release or authorize the removal and release of corneal eye tissue from a body within the coroner's custody, if all of the following conditions are met:

(1) The autopsy has otherwise been authorized.

(2) The coroner has no knowledge of objection to the removal and release of corneal tissue having been made by the decedent or any other person specified in Section 7151.5 of the Health and Safety Code.

(3) The removal of such tissue will not unnecessarily mutilate the body, be accomplished by enucleation, nor interfere with the autopsy.

(4) The tissue will be removed by a coroner, licensed physician and surgeon, or a trained transplant technician.

(5) The tissue will be released to a public or nonprofit facility for transplant, therapeutic, or scientific purposes.

(b) Neither the coroner nor medical examiner authorizing the removal of the corneal tissue, nor any hospital, medical center, tissue bank, storage facility, or person acting upon the request, order, or direction of the coroner or medical examiner in the removal of corneal tissue pursuant to this section, shall incur civil liability for such removal in an action brought by any person who did not object prior to the removal of the corneal tissue, nor be subject to criminal prosecution for the removal of such corneal tissue pursuant to the provisions of this section.

## CHAPTER 12

An act to amend Section 15002, and to repeal and add Chapter 4.5 (commencing with Section 15035) to Division 8 of the Unemployment Insurance Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 7, 1983. Filed with  
Secretary of State April 7, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 15002 of the Unemployment Insurance Code is amended to read:

15002. The following definitions shall govern the construction of this division:

(a) "Director" means the Director of the Employment Development Department.

(b) "Department" means the Employment Development Department.

(c) "Local council" means the private industry council established by a service delivery area in accordance with the provisions of this division.

(d) "State council" means the State Job Training Coordinating Council established under Chapter 4.5 (commencing with Section 15035) of Division 8.

(e) "Job preparation and training services" means that system of services, activities and procedures developed by each county to provide eligible participants with the skills and knowledge needed to obtain and retain adequately paying jobs in the private sector.

(f) "Service Delivery Area plan" means that statement prepared by service delivery areas describing the methods and processes for carrying out job preparation and training services, the objectives to be achieved by such methods and processes, the manner in which funds will be used to achieve those objectives, and the level of performance achieved.

(g) "Performance standards" means those indicators used to measure levels of achievement by service delivery area programs.

SEC. 2. Chapter 4.5 (commencing with Section 15035) of Division 8 of the Unemployment Insurance Code is repealed.

SEC. 3. Chapter 4.5 (commencing with Section 15035) is added to Division 8 of the Unemployment Insurance Code, to read:

CHAPTER 4.5. STATE JOB TRAINING COORDINATING COUNCIL

15035. To promote integration of employment and training programs at the state level, to further cooperation between government and the private sector in meeting California employers' needs for well-trained workers and California workers' needs for



good jobs, to provide oversight of programs operated pursuant to the division, and to meet federal requirements of Section 122 of Part B of Title I of the Job Training Partnership Act of 1982, the State Job Training Coordinating Council is established.

15036. The state council shall consist of 30 members, appointed by the Governor from nominations as provided in this section, and as required by federal law, and be representative of the population of the state with regard to sex, race, ethnic background, and geographical distribution. The Governor shall appoint one nongovernmental member to be the chairperson of the council. The appointment of the chairperson, and the appointments of members designated under subdivision (d), shall be subject to confirmation by the Senate.

(a) Ten members shall be representatives of large and small business, industry, and agriculture. Eight of these members shall be owners of business concerns, chief executives, or chief operating officers of business concerns or other private sector executives who have or have had substantial management or policy responsibilities for an autonomous part of a business. Of these, at least four shall be current or past members of a private industry council. Two shall be representatives from general purpose organizations representing business interests. One of the members shall also have a record of employing a significant number of disabled persons.

(b) Six members shall be representatives of state government. These representatives shall be a Member of the Senate nominated by the Rules Committee, a Member of the Assembly nominated by the Speaker, the Superintendent of Public Instruction, the Secretary of Health and Welfare, the Secretary of Business, Transportation and Housing, and the Chancellor of the California Community Colleges, or their designees.

(c) Seven members shall be representatives of local government. Four shall be members of county boards of supervisors, and shall be nominated by the County Supervisors' Association of California. Three shall be members of city councils, and shall be nominated by the League of California Cities.

(d) Seven members shall be representatives of public and private organizations providing employment and training services or advocacy for program participants. One each shall represent organized labor, local vocational education organizations serving youth, the population eligible for services, community-based organizations, private proprietary schools, veterans organizations, and organizations serving older Californians.

In the event that the Governor finds an insufficient number of acceptable nominees in a given category, he shall return the nomination lists to the respective nominating bodies within 10 days of receipt. The bodies shall then have 10 days to submit new lists of nominees. If nominations are not received within 10 days, members shall be appointed at the discretion of the Governor.

15037. The state council shall:

(a) Recommend to the Governor and the Legislature a coordination and special services plan.

(b) Recommend to the Governor local service delivery areas. To the extent permitted by federal law, designation of service delivery areas shall reflect the intent of the Legislature to integrate and coordinate employment and training services, public assistance programs, and other educational and training efforts as may exist which are designed to assist individuals in preparing for participation in the labor force.

(c) To the extent permitted by federal law, review and approve:

(1) Local service delivery area plans.

(2) Standards, criteria and reporting requirements established by the department pursuant to this division with respect to local service delivery area plans.

(3) The allocation formula to be used for the distribution of funds for local service delivery area plans.

(4) The distribution of other federal funds allocated to the state for those employment and training services provided pursuant to this division.

(d) Consult and advise the director on all matters connected with the administration of this code as submitted to it by the director, and may upon its own initiative recommend such changes in administration as it deems necessary.

(e) Review and comment to the Governor and the Legislature on the annual report prepared in accordance with Section 15064, and the employment and training plan prepared in accordance with Sections 10522 and 10523.

(f) Serve as the body responsible for making recommendations to the Governor when the director proposes to withdraw funding pursuant to Section 15028.

15037.5. The plans and decisions of the state council shall be subject to approval by the Governor.

15038. In order to assure objective management and oversight, the state council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provisions of such programs and services.

15039. The state council shall succeed to the Employment Services Board and the former state employment and training council created under Section 10524.

15039.5. The state council may employ personnel necessary to carry out its responsibilities. All personnel of the council shall be under the supervision of the chairperson or an executive director to whom he or she delegates this responsibility. All personnel shall be appointed pursuant to the State Civil Service Act established pursuant to Part 1 (commencing with Section 18000) of Division 5 of Title 2 of the Government Code, except the executive director who shall be exempt.

15039.7. Members of the state council shall be reimbursed only

for their necessary and actual expenses incurred in the performance of their official duties.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the state to meet the requirements of the federal Job Training Partnership Act of 1982, it is necessary that this act take effect immediately.

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## CHAPTER 13

An act to amend Sections 50775 and 50775.5 of the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 7, 1983. Filed with  
Secretary of State April 7, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 50775 of the Health and Safety Code is amended to read:

50775. (a) The department may provide financial assistance, in accordance with this chapter, to households residing in rental housing, or a mobilehome park in which such households rent spaces, which is to be converted to condominium ownership, planned development ownership, as defined in Section 11003 of the Business and Professions Code, or ownership by a stock cooperative corporation, as defined in Section 11003.2 of the Business and Professions Code, for the purpose of assisting such households in acquiring a dwelling unit or a share in the stock cooperative corporation which entitles such households to occupancy of a dwelling unit.

(b) The department may also provide financial assistance for the purpose of assisting households to purchase a mobilehome, as defined in Section 18008, which is located outside a mobilehome park, as defined in Section 18214, and which is affixed to a permanent foundation system.

(c) The financial assistance provided pursuant to subdivision (a) or (b) shall not exceed 49 percent of the purchase price paid by the household for the dwelling unit, mobilehome, or share in the stock cooperative, and in no event shall such assistance be used to reduce the purchaser's downpayment below 3 percent of the total purchase price.

(d) The department may establish maximum purchase prices for such units, mobilehomes, or shares.

(e) Eligibility for such financial assistance shall be limited to

households (1) which have incomes no greater than the median for the county, (2) which do not currently own residential property and have not owned any residential property, other than a mobilehome not affixed to a permanent foundation, for at least three years, (3) which have not previously received any assistance pursuant to this chapter and (4) which, without financial assistance pursuant to this section, would be unable to acquire a dwelling unit, mobilehome, or a share in a stock cooperative.

(f) As used in this section and Section 50776, "dwelling unit" means the dwelling unit that such household occupies, or another dwelling unit not being purchased by its existing tenant within the same rental housing development or mobilehome park. "Dwelling unit" includes a space in a mobilehome park, as defined in Section 18214, and may include a mobilehome rented with the space.

SEC. 2. Section 50775.5 of the Health and Safety Code is amended to read:

50775.5. For the purposes of disaster relief to those households displaced as a result of the Anaheim fire resulting in a state of emergency proclaimed on April 23, 1982, by the Governor, pursuant to Section 8625 of the Government Code, financial assistance may be provided to displaced Anaheim residents as prescribed in this chapter, consistent with the following exceptions:

(a) Condominium, planned development, as defined in Section 11003 of the Business and Professions Code, or stock cooperative units to be purchased with state financial assistance may include existing condominium, planned development, or cooperative units.

(b) Households receiving state assistance to purchase condominium, planned development, or cooperative units need not have resided in such units prior to the purchase thereof.

(c) Eligibility for state financial assistance shall be limited to households which have incomes no greater than 150 percent of the median for the county.

(d) The housing assisted by this section shall not be governed by the percentage requirements in Section 50778, nor shall units assisted pursuant to this section be used in determining compliance with the percentage requirements contained in Section 50778.

(e) Any rule, policy, or standard of general application employed by the department in implementing the provisions of this section shall not be subject to the requirements of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

Any repayment of funds originating from the Homeownership Assistance Fund allocated pursuant to this section shall be utilized by the department pursuant to this chapter.

The provisions of Sections 14 and 15 of Chapter 312 of the Statutes of 1982 shall be applicable to this section as amended by the Statutes of 1983.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for victims of the Anaheim fire which resulted in a state of emergency proclaimed on April 23, 1982, by the Governor, to receive urgently needed emergency assistance, it is necessary that this act take effect immediately.

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## CHAPTER 14

An act to add Section 27472 to the Government Code, relating to coroners.

[Approved by Governor April 16, 1983 Filed with  
Secretary of State April 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 27472 is added to the Government Code, to read:

27472. If authorized by the county board of supervisors by ordinance, the coroner, whenever he or she takes custody of a dead body pursuant to law, may charge and collect from the person entitled to control the disposition of the remains, as specified in Section 7100 of the Health and Safety Code, the actual expense incurred by the coroner in removing the body from the place of death and keeping the body until its release to the person responsible for its interment. The charge shall not exceed one hundred dollars (\$100), shall not be imposed upon a person who claims and proves to be indigent, and shall not include expenses of keeping the body during the time necessary for the coroner to perform his or her duties in connection with it. The charge, if not paid, may be considered a part of the funeral expenses and paid as a preferred charge against the estate of the decedent.

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## CHAPTER 15

An act to amend Section 9891.2 of, and to repeal and add Section 9891.24 to, the Business and Professions Code, and to amend Section 2 of Chapter 1635 of the Statutes of 1982, relating to tax preparers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1983. Filed with  
Secretary of State April 19, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 9891.2 of the Business and Professions Code is amended to read:

9891.2. The following persons are exempt from the requirements of this chapter:

(a) Any person regulated by the State Board of Accountancy and his or her employees while functioning within the scope of their employment.

(b) Any person who is a member of the State Bar of California and his or her employees while functioning within the scope of their employment.

(c) Employees of any trust company or trust business as defined in Chapter 1 (commencing with Section 99) of Division 1 of the Financial Code while functioning within the scope of their employment.

(d) Financial institutions regulated by the state or federal government, and employees thereof, insofar as the activities of the employees are related to their employment and the activities of the financial institution with respect to tax preparation are subject to federal or state examination or oversight.

(e) Any person who is enrolled or authorized to practice before the Internal Revenue Service pursuant to Subpart A (commencing with Section 10.1) of Part 10 of Title 31 of the Code of Federal Regulations, and his or her employees while functioning within the scope of their employment.

(f) Any person authorized to make loans pursuant to Division 7 (commencing with Section 18000), Division 9 (commencing with Section 22000), or Division 10 (commencing with Section 24000) of the Financial Code, or its wholly owned subsidiary, and his or her employees while functioning within the scope of their employment.

SEC. 2. Section 9891.24 of the Business and Professions Code is repealed.

SEC. 3. Section 9891.24 is added to the Business and Professions Code, to read:

9891.24. (a) On and after April 16, 1983, it shall be unlawful for any person to be a tax preparer or tax interviewer associated with a tax preparer unless the tax preparer has submitted to the administrator a letter of intent to register. The letter of intent shall include the following information for the tax preparer and each tax interviewer associated with the tax preparer: the name, address, telephone number and social security number of each such person. The letter shall be accompanied by a bond as required by Article 4 (commencing with Section 9891.35) and a fee of twenty-five dollars (\$25) for each tax preparer and each tax interviewer. The provisions of this subdivision shall permit unregistered practice as a tax preparer or tax interviewer only until November 1, 1983.

(b) On and after November 1, 1983, it shall be unlawful for any person to be a tax preparer or tax interviewer unless he or she is registered in accordance with the provisions of this chapter.

(c) Any person who violates this section is guilty of a misdemeanor, punishable by a fine of not less than fifty dollars (\$50) or more than five hundred dollars (\$500), or jail for a period of not more than 60 days, or both, for each violation of this section.

SEC. 4. Section 2 of Chapter 1635 of the Statutes of 1982 is amended to read:

Sec. 2. The sum of forty thousand dollars (\$40,000) is hereby appropriated from the General Fund to the Tax Preparers Fund, which sum shall be a loan to be repaid to the General Fund with interest at the rate earned by moneys invested in the Pooled Money Investment Account and shall be repaid during the 1982-83 fiscal year from fees collected pursuant to the Tax Preparers Act.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit tax preparers to practice during the 1983 tax season prior to implementation of formal registration procedures, it is necessary for this act to take effect immediately.

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## CHAPTER 16

An act to amend subdivision (h) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1983. Filed with  
Secretary of State April 20, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Subdivision (h) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982 is amended to read:

For ROC/Ps which have below average participation rates, as measured by the ratio of the ROC/P ADA to the ADA in grades 9-12 in the participating districts, the Superintendent of Public Instruction shall allocate the amount per ADA calculated in paragraph (2) of subdivision (c) of this provision, times an authorized increase in the number of ADA approved by the Superintendent of Public Instruction, provided that the Superintendent of Public Instruction shall consider need in allocating ADA to these ROC/Ps and shall certify up to one million five hundred thousand dollars (\$1,500,000) of the amount calculated pursuant to subdivisions (g) (2) and (g) (3) of this provision. This subdivision shall not be interpreted to limit the amount of ADA growth in low-participation ROC/Ps to only the amount authorized in this subdivision.

SEC. 2. Notwithstanding subdivision (d) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982, if the amount of funds available for regional occupational centers and programs for the 1982-83 fiscal year is less than the amount necessary to cover all of the authorized expenditures, the allocation to each district, county office, or joint powers agency operating regional occupational centers and programs shall be reduced proportionately, as follows:

(a) The Superintendent of Public Instruction shall compute an allowable growth factor for each district, county office, or joint powers agency operating regional occupational centers and programs according to the following formula:

$$G = \frac{(F \times 0.10 \times H) + (F \times 0.05 \times A)}{(H + A)}$$

where:

(1) "G" is the allowable growth factor for the 1982-83 fiscal year.

(2) "H" is the 1981-82 fiscal year high school average daily attendance in regional occupational centers and programs operated by the district, county office, or joint powers agency.

(3) "A" is the 1981-82 fiscal year adult average daily attendance in regional occupational centers and programs operated by the district, county office, or joint powers agency.

(4) "F" is the fraction obtained by dividing one million five hundred thousand dollars (\$1,500,000) by the sum of the amounts computed pursuant to paragraphs (2) and (3) of subdivision (g) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982, and subtracting the result from 1.0.

(b) Any reduction in allocations shall apply only to the claims of districts, county offices, or joint powers agencies on account of average daily attendance in regional occupational centers and programs in excess of the amount computed by the following formula:

$$(H + A) \times (1.0 + G)$$

where the symbols are as defined in subdivision (a).

(c) No reduction in allocation shall apply to claims on account of average daily attendance less than or equal to the amount computed pursuant to subdivision (b) or to claims for amounts received pursuant to subdivision (h) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide a timely and equitable response to a possible deficit in funding for regional occupational centers and programs in the 1982-83 fiscal year, it is necessary that this act take effect immediately.



## CHAPTER 17

An act to amend Sections 591.6 and 2580 of, to add Division 2.5 (commencing with Section 260) to, and to repeal Chapter 12 (commencing with Section 190) of Division 1 of, the Probate Code, relating to disclaimers.

[Approved by Governor April 21, 1983 Filed with  
Secretary of State April 21, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 12 (commencing with Section 190) of Division 1 of the Probate Code is repealed.

SEC. 2. Division 2.5 (commencing with Section 260) is added to the Probate Code, to read:

DIVISION 2.5. DISCLAIMER OF TESTAMENTARY AND  
OTHER INTERESTS

CHAPTER 1. DEFINITIONS

260. Unless the provision or context otherwise requires, the words and phrases defined in this chapter govern the construction of this division.

261. "Account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit, share account, and other like arrangement.

262. "Beneficiary" means the person entitled, but for the person's disclaimer, to take an interest.

263. (a) "Creator of the interest" means a person who establishes, declares, creates, or otherwise brings into existence an interest.

(b) "Creator of the interest" includes, but is not limited to, the following:

(1) With respect to an interest created by intestate succession, the person dying intestate.

(2) With respect to an interest created under a will, the testator.

(3) With respect to an interest created under a trust, the trustor.

(4) With respect to an interest created by succession to a disclaimed interest, the disclaimant of the disclaimed interest.

(5) With respect to an interest created by virtue of an election to take against a will, the testator.

(6) With respect to an interest created by creation of a power of appointment, the donor.

(7) With respect to an interest created by exercise or nonexercise of a power of appointment, the donee.

(8) With respect to an interest created by an inter vivos gift, the donor.

(9) With respect to an interest created by surviving the death of a depositor of a Totten trust account or P.O.D. account, the deceased depositor.

(10) With respect to an interest created under an insurance or annuity contract, the owner, the insured, or the annuitant.

(11) With respect to an interest created by surviving the death of another joint tenant, the deceased joint tenant.

(12) With respect to an interest created under an employee benefit plan, the employee or other owner of an interest in the plan.

(13) With respect to an interest created under an individual retirement account, annuity, or bond, the owner.

264. "Disclaimant" means a beneficiary who executes a disclaimer on his or her own behalf or a person who executes a disclaimer on behalf of a beneficiary.

265. "Disclaimer" means any writing which declines, refuses, renounces, or disclaims any interest that would otherwise be taken by a beneficiary.

266. "Employee benefit plan" includes, but is not limited to, any pension, retirement, death benefit, stock bonus, or profit-sharing plan, system, or trust.

267. (a) "Interest" includes the whole of any property, real or personal, legal or equitable, or any fractional part, share, or particular portion or specific assets thereof, or any estate in any such property, or any power to appoint, consume, apply, or expend property, or any other right, power, privilege, or immunity relating to property.

(b) "Interest" includes, but is not limited to, an interest created in any of the following manners:

(1) By intestate succession.

(2) Under a will.

(3) Under a trust.

(4) By succession to a disclaimed interest.

(5) By virtue of an election to take against a will.

(6) By creation of a power of appointment.

(7) By exercise or nonexercise of a power of appointment.

(8) By an inter vivos gift, whether outright or in trust.

(9) By surviving the death of a depositor of a Totten trust account or P.O.D. account.

(10) Under an insurance or annuity contract.

(11) By surviving the death of another joint tenant.

(12) Under an employee benefit plan.

(13) Under an individual retirement account, annuity, or bond.

(14) Any other interest created by any testamentary or inter vivos instrument or by operation of law.

268. "Person" means an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or other entity.

269. "P.O.D. account" means an account subject to a pay-on-death provision as provided in Section 852.5, 7604.5, 11203.5, 14854.5, or 18318.5 of the Financial Code.

270. "Totten trust account" means an account in the name of one or more parties as trustee for one or more beneficiaries where the relationship is established by the form of the account and the deposit agreement with the financial institution and there is no subject of the trust other than the sums on deposit in the account. In a Totten trust account, it is not essential that payment to the beneficiary be mentioned in the deposit agreement. A Totten trust account does not include (1) a regular trust account under a testamentary trust or a trust agreement which has significance apart from the account or (2) a fiduciary account arising from a fiduciary relation such as attorney-client.

## CHAPTER 2. GENERAL PROVISIONS

275. A beneficiary may disclaim any interest, in whole or in part, by filing a disclaimer as provided in this division.

276. A disclaimer on behalf of a conservatee shall be made by the conservator of the estate of the conservatee pursuant to a court order obtained under Article 10 (commencing with Section 2580) of Chapter 6 of Part 4 of Division 4 authorizing or requiring the conservator to execute and file the disclaimer.

277. (a) A disclaimer on behalf of a minor shall be made by the guardian of the estate of the minor if one has been appointed or, if none has been appointed, by a guardian ad litem of the minor. A disclaimer by a guardian is not effective unless made pursuant to a court order obtained under this section.

(b) A disclaimer on behalf of a decedent shall be made by the personal representative of the decedent. Except as provided in Article 2 (commencing with Section 591) of Chapter 8 of Division 3, a disclaimer by a guardian or personal representative is not effective unless made pursuant to a court order obtained under this section.

(c) A petition for an order authorizing or requiring a guardian or personal representative to execute and file a disclaimer shall be filed in the superior court in the county in which the estate of the minor or decedent is administered or, if there is no administration, the superior court in any county in which administration would be proper. The petition may be filed by the guardian, personal representative, or other interested person.

(d) The petition shall:

(1) Identify the creator of the interest.

(2) Describe the interest to be disclaimed.

(3) State the extent of the disclaimer.

(4) Identify the person or persons the petitioner believes would take the interest in the event of the disclaimer.

(e) Notice of the hearing on the petition shall be given as follows:

(1) If the petition is for an order authorizing or requiring the guardian of the estate of a minor to execute and file the disclaimer, notice of the hearing on the petition shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1 of Division 4 to all of the persons (other than the petitioner or persons joining in the petition) required to be given notice under that chapter.

(2) If the petition is for an order authorizing or requiring the personal representative of a decedent to execute and file the disclaimer, notice of the hearing on the petition shall be given for the period and in the manner provided in Section 1200.5.

(3) If the petition is for an order authorizing or requiring a guardian ad litem of a minor to execute and file the disclaimer, notice of the hearing on the petition shall be given to the persons and in the manner that the court shall by order direct.

(4) The court may require that additional notice be given in such manner as the court directs.

(f) After hearing, the court in its discretion may make an order authorizing or requiring the guardian or personal representative to execute and file the disclaimer if the court determines, taking into consideration all of the relevant circumstances, that the minor or decedent as a prudent person would disclaim the interest if he or she had the capacity to do so.

278. The disclaimer shall be in writing, shall be signed by the disclaimant, and shall:

- (a) Identify the creator of the interest.
- (b) Describe the interest to be disclaimed.
- (c) State the disclaimer and the extent thereof.

279. (a) A disclaimer to be effective shall be filed within a reasonable time after the person able to disclaim acquires knowledge of the interest.

(b) In the case of any of the following interests, a disclaimer is conclusively presumed to have been filed within a reasonable time if it is filed within nine months after the death of the creator of the interest or within nine months after the interest becomes indefeasibly vested, whichever occurs later:

- (1) An interest created under a will.
- (2) An interest created by intestate succession.
- (3) An interest created pursuant to the exercise or nonexercise of a testamentary power of appointment.
- (4) An interest created by surviving the death of a depositor of a Totten trust account or P.O.D. account.
- (5) An interest created under a life insurance or annuity contract.
- (6) An interest created by surviving the death of another joint tenant.

(7) An interest created under an employee benefit plan.

(8) An interest created under an individual retirement account, annuity, or bond.

(c) In the case of an interest created by an inter vivos trust, an interest created by the exercise of a presently exercisable power of appointment, an outright inter vivos gift, a power of appointment, or an interest created or increased by succession to a disclaimed interest, a disclaimer is conclusively presumed to have been filed within a reasonable time if it is filed within nine months after whichever of the following times occurs latest:

(1) The time of the creation of the trust, the exercise of the power of appointment, the making of the gift, the creation of the power of appointment, or the disclaimer of the disclaimed property.

(2) The time the first knowledge of the interest is acquired by the person able to disclaim.

(3) The time the interest becomes indefeasibly vested.

(d) In case of an interest not described in subdivision (b) or (c), a disclaimer is conclusively presumed to have been filed within a reasonable time if it is filed within nine months after whichever of the following times occurs later:

(1) The time the first knowledge of the interest is acquired by the person able to disclaim.

(2) The time the interest becomes indefeasibly vested.

(e) In the case of a future estate, a disclaimer is conclusively presumed to have been filed within a reasonable time if it is filed within whichever of the following times occurs later:

(1) Nine months after the time the interest becomes an estate in possession.

(2) The time specified in subdivision (b), (c), or (d), whichever is applicable.

(f) If the disclaimer is not filed within the time provided in subdivision (b), (c), (d), or (e), the disclaimant has the burden of establishing that the disclaimer was filed within a reasonable time after the disclaimant acquired knowledge of the interest.

280. (a) A disclaimer shall be filed with any of the following:

(1) The superior court in the county in which the estate of the decedent is administered or, if there is no administration of the decedent's estate, the superior court in any county in which administration of the estate of the decedent would be proper.

(2) The trustee, personal representative, other fiduciary, or person responsible for distributing the interest to the beneficiary.

(3) Any other person having custody or possession of or legal title to the interest.

(4) The creator of the interest.

(b) If a disclaimer made pursuant to this division affects real property or an obligation secured by real property and the disclaimer is acknowledged and proved in like manner as a grant of real property, the disclaimer may be recorded in like manner and with like effect as a grant of real property, and all statutory provisions relating to the recordation or nonrecordation of conveyances of real property and to the effect thereof apply to the disclaimer with like effect, without regard to the date when the disclaimer was filed pursuant to subdivision (a). Failure to file a disclaimer pursuant to subdivision (a) which is recorded pursuant to this subdivision does not affect the validity of any transaction with respect to the real property or the obligation secured thereby, and the general laws on recording and its effect govern any such transaction.

281. A disclaimer, when effective, is irrevocable and binding upon the beneficiary and all persons claiming by, through, or under the beneficiary, including creditors of the beneficiary.

282. Unless the creator of the interest provides for a specific disposition of the interest in the event of a disclaimer, the interest disclaimed shall descend, go, be distributed, or continue to be held

(1) as to a present interest, as if the disclaimant had predeceased the creator of the interest or (2) as to a future interest, as if the disclaimant had died before the event determining that the taker of the interest had become finally ascertained and the taker's interest indefeasibly vested. A disclaimer relates back for all purposes to the date of the death of the creator of the disclaimed interest or the determinative event, as the case may be.

283. A disclaimer is not a fraudulent conveyance by the beneficiary under Title 2 (commencing with Section 3439) of Part 2 of Division 4 of the Civil Code.

284. A person who could file a disclaimer under this division may instead file a written waiver of the right to disclaim. The waiver shall specify the interest to which the waiver applies. Upon being filed as provided in Section 280, the waiver is irrevocable and is binding upon the beneficiary and all persons claiming by, through, or under the beneficiary.

285. (a) A disclaimer may not be made after the beneficiary has accepted the interest sought to be disclaimed.

(b) For the purpose of this section, a beneficiary has accepted an interest if any of the following occurs before a disclaimer is filed with respect to that interest:

(1) The beneficiary, or someone acting on behalf of the beneficiary, makes a voluntary assignment, conveyance, encumbrance, pledge, or transfer of the interest or part thereof, or contracts to do so.

(2) The beneficiary, or someone acting on behalf of the beneficiary, executes a written waiver under Section 284 of the right to disclaim the interest.

(3) The beneficiary, or someone acting on behalf of the beneficiary, accepts the interest or part thereof or benefit thereunder.

(4) The interest or part thereof is sold at a judicial sale.

(c) An acceptance does not preclude a beneficiary from thereafter disclaiming all or part of an interest if both of the following requirements are met:

(1) The beneficiary became entitled to the interest because another person disclaimed an interest.

(2) The beneficiary or other person acting on behalf of the beneficiary at the time of the acceptance had no knowledge of the interest to which the beneficiary so became entitled.

(d) The acceptance by a joint tenant of the joint tenancy interest created when the joint tenancy is created is not an acceptance by the joint tenant of the interest created when the joint tenant survives the death of another joint tenant.

286. The right to disclaim exists regardless of any limitation imposed on the interest of a beneficiary in the nature of an expressed or implied spendthrift provision or similar restriction.

287. An interest created before January 1, 1984, that has not been accepted may be disclaimed after December 31, 1983, in the manner provided in this division, but no interest that arose before January 1, 1984, in a person other than the beneficiary may be destroyed or

diminished by any action of the disclaimant taken pursuant to this division.

288. This division does not limit or abridge any right a person may have under any other law to assign, convey, or release any property or interest, but after December 31, 1983, an interest that would otherwise be taken by a beneficiary may be declined, refused, renounced, or disclaimed only as provided in this division.

### CHAPTER 3. DISCLAIMERS EFFECTIVE UNDER FEDERAL LAW

295. Notwithstanding any other provision of this division, if as a result of a disclaimer or transfer the disclaimed or transferred interest is treated pursuant to the provisions of Title 26 of the United States Code, as now or hereafter amended, or any successor statute thereto, and the regulations promulgated thereunder, as never having been transferred to the beneficiary, then the disclaimer or transfer is effective as a disclaimer under this division.

SEC. 3. Section 591.6 of the Probate Code is amended to read:

591.6. Unless restricted by the will, an executor or administrator who has been granted authority to administer the estate without court supervision shall have all of the following powers, in addition to any other powers granted by this code, which powers can be exercised in the manner provided in this article:

(a) To manage, control, convey, divide, exchange, partition, and to sell for cash or on credit; to lease for any purpose, including exploration for and removal of gas, oil, or other minerals; to enter into community oil leases; and to grant options to purchase real property for a period within or beyond the administration of the estate.

(b) To invest and reinvest money of the estate in deposits in banks and insured savings and loan association accounts and in direct obligations of the United States maturing not later than one year from the date of investment or reinvestment; to invest and reinvest any surplus moneys in his or her hands in any manner provided by the will.

(c) To borrow; to place, replace, renew or extend any encumbrance upon any property in the estate.

(d) To abandon worthless assets or any interest therein.

(e) To make ordinary or extraordinary repairs or alterations in buildings or other property.

(f) To vote a security, in person or by general or limited proxy.

(g) To sell or exercise stock subscription or conversion rights.

(h) To hold a security in the name of a nominee or in other form without disclosure of the estate, so that title to the security may pass by delivery, but the executor or administrator is liable for any act of the nominee in connection with the security so held.

(i) To insure the assets of the estate against damage or loss, and the executor or administrator against liability with respect to third persons.

(j) To allow, pay, reject, contest and compromise any claim by or against the estate by compromise; to release, in whole or in part, any claim belonging to the estate to the extent that the claim is

uncollectible; to institute, compromise and defend actions and proceedings.

(k) To pay taxes, assessments, and other expenses incurred in the collection, care and administration of the estate.

(l) To continue the operation of the decedent's business to such extent as he or she shall deem to be for the best interest of the estate and those interested therein.

(m) To pay a reasonable family allowance.

(n) To make a disclaimer.

SEC. 4. Section 2580 of the Probate Code is amended to read:

2580. (a) The conservator or other interested person may file a petition under this article for an order of the court authorizing or requiring the conservator to take a proposed action for any one or more of the following purposes:

(1) Benefiting the conservatee or the estate.

(2) Minimizing current or prospective taxes or expenses of administration of the conservatorship estate or of the estate upon the death of the conservatee.

(3) Providing gifts for such purposes, and to such charities, relatives (including the other spouse), friends, or other objects of bounty, as would be likely beneficiaries of gifts from the conservatee.

(b) The action proposed in the petition may include, but is not limited to, the following:

(1) Making gifts of principal or income, or both, of the estate, outright or in trust.

(2) Conveying or releasing the conservatee's contingent and expectant interests in property, including marital property rights and any right of survivorship incident to joint tenancy or tenancy by the entirety.

(3) Exercising or releasing the conservatee's powers as donee of a power of appointment.

(4) Entering into contracts.

(5) Creating for the benefit of the conservatee or others, revocable or irrevocable trusts of the property of the estate, which trusts may extend beyond the conservatee's disability or life.

(6) Exercising options of the conservatee to purchase or exchange securities or other property.

(7) Exercising the rights of the conservatee to elect benefit or payment options, to terminate, to change beneficiaries or ownership, to assign rights, to borrow, or to receive cash value in return for a surrender of rights under any of the following:

(i) Life insurance policies, plans, or benefits.

(ii) Annuity policies, plans, or benefits.

(iii) Mutual fund and other dividend investment plans.

(iv) Retirement, profit sharing, and employee welfare plans and benefits.

(8) Exercising the right of the conservatee to elect to take under or against a will.

(9) Exercising the right of the conservatee to disclaim any interest that may be disclaimed under Division 2.5 (commencing with Section 260).



(10) Exercising the right of the conservatee (i) to revoke a revocable trust or (ii) to surrender the right to revoke a revocable trust, but the court shall not authorize or require the conservator to exercise the right to revoke a revocable trust if the instrument governing the trust (i) evidences an intent to reserve the right of revocation exclusively to the conservatee, (ii) provides expressly that a conservator may not revoke the trust, or (iii) otherwise evidences an intent that would be inconsistent with authorizing or requiring the conservator to exercise the right to revoke the trust.

(11) Making an election or an election and agreement referred to in Section 202.

SEC. 5. This act shall become operative only if Assembly Bill No. 24 is chaptered and becomes effective and operative on January 1, 1984, and in such case this act shall become effective and operative on January 1, 1984, the same as Assembly Bill No. 24.

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## CHAPTER 18

An act to amend Sections 5122, 7398, 9891.31, and 9891.35 of, to add Section 7071.15 to, and to repeal Section 9891.36 of, the Business and Professions Code, to amend Sections 166, 488.465, 700.160, 720.760, 720.770, 726, 995.020, 995.710, 996.340, and 1166a of, and to repeal Sections 720.710, 720.720, 720.730, 720.740, 720.750, 720.780, and 720.790 of, the Code of Civil Procedure, to amend Section 25100 of the Corporations Code, to amend Section 26855.3 of, and to repeal Section 1587 of, the Government Code, to amend Section 1376 of the Health and Safety Code, to amend Section 1448 of the Penal Code, to amend Sections 541, 2329, and 2334 of the Probate Code, to amend Sections 5101, 20398, 20413, 20426, 20458, 20483, 20569, and 20589 of the Public Contract Code, and to amend Sections 11301.5, 11713, and 16434 of the Vehicle Code, relating to bonds and undertakings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 21, 1983. Filed with  
Secretary of State April 21, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5122 of the Business and Professions Code is amended to read:

5122. Whenever in the judgment of the board, or with its approval any administrative committee, any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, an offense against this chapter, the board may make application to the appropriate court for an order enjoining the acts or practices, and upon showing by the board that the person has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by the court.

SEC. 1.5. Section 7071.15 is added to the Business and Professions Code, to read:

7071.15. If a licensee fails to maintain a sufficient bond required by this article, the license is subject to suspension or revocation pursuant to Section 996.020 of the Code of Civil Procedure.

SEC. 2. Section 7398 of the Business and Professions Code is amended to read:

7398. (a) Every school shall post with the board a surety bond executed by an admitted surety insurer in the amount of five thousand dollars (\$5,000).

(b) The bond shall be in the form approved by the board and shall be conditioned upon compliance with the provisions of this chapter and upon faithful compliance with the terms and conditions of any and all contracts, verbal or written, made by the school to furnish instruction to any person. The bond shall be to the State of California in favor of every person who pays or deposits any money with the school as payment for any instruction. Every bond shall continue in force and effect until notice of termination is given by registered mail to the board and every bond shall set forth this fact.

(c) A judgment against the principal or surety in any action to enforce the liability on the bond shall include the costs thereof and those incident to the bringing of the action, including a reasonable attorney fee.

SEC. 3. Section 9891.31 of the Business and Professions Code is amended to read:

9891.31. The superior court in and for the county wherein any person acts as a tax preparer in violation of the provisions of this chapter, or any regulation adopted pursuant to this chapter, may, upon a petition filed by the administrator with the approval of the chief, issue an injunction or other appropriate order restraining such conduct. The proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of the Code of Civil Procedure, except that the administrator shall not be required to allege facts necessary to show or tending to show lack of an adequate remedy at law or irreparable injury.

SEC. 4. Section 9891.35 of the Business and Professions Code is amended to read:

9891.35. (a) A tax preparer, other than a tax preparer operating solely in the capacity of a tax interviewer, shall deposit with the division, prior to registration or registration renewal, a bond executed by an admitted surety insurer payable to the people of the State of California in the penal sum of two thousand dollars (\$2,000). The bond shall be conditioned that the person applying for registration or registration renewal will comply with this chapter and will pay all damages occasioned to any person by reason of misstatement, misrepresentation, fraud, deceit or any unlawful acts or omissions by the tax preparer, or interviewer while acting in the scope of their employment.

(b) A tax interviewer associated with a tax preparer shall be covered by the bond of the tax preparer with which the tax interviewer is associated. However, in no event shall the total bond

required for any single tax preparer and associated tax interviewers be required to exceed fifty thousand dollars (\$50,000).

SEC. 5. Section 9891.36 of the Business and Professions Code is repealed.

SEC. 6. Section 166 of the Code of Civil Procedure is amended to read:

166. (a) The judge or judges of the superior, municipal and justice courts may, at chambers, in the matters within the jurisdiction of their respective courts:

(1) Grant all orders and writs which are usually granted in the first instance upon an ex parte application, and may, at chambers, hear and dispose of such orders and writs; and may also, at chambers, appoint appraisers, receive inventories and accounts to be filed, suspend the powers of executors, administrators, guardians, or conservators in the cases allowed by law, grant special letters of administration and letters of temporary guardianship or conservatorship, approve claims, and direct the issuance from the court of all writs and process necessary in the exercise of their powers in matters of probate.

(2) Hear and determine all motions made pursuant to Section 657 or 663.

(3) Hear and determine all uncontested actions, proceedings, demurrers, motions, petitions, applications, and other matters pending before the court other than actions for dissolution of marriage, for legal separation, or for a judgment of nullity of the marriage, and except also applications for confirmation of sale of real property in probate proceedings.

(4) Hear and determine motions to tax costs of enforcing a judgment.

(5) Approve bonds and undertakings.

(b) A judge may, out of court, anywhere in the state, exercise all the powers and perform all the functions and duties conferred upon a judge as contradistinguished from the court, or which a judge may exercise or perform at chambers.

SEC. 7. Section 488.465 of the Code of Civil Procedure is amended to read:

488.465. (a) The provisions of this section apply in addition to the provisions of Sections 488.455 and 488.460 if any of the following property is attached:

(1) A deposit account standing in the name of a third person or in the names of both the defendant and a third person.

(2) Property in a safe-deposit box standing in the name of a third person or in the names of both the defendant and a third person.

(b) The plaintiff shall provide, and the levying officer shall deliver to the financial institution at the time of levy, an undertaking given by an admitted surety insurer. The undertaking shall be for not less than twice the amount of the attachment or, if a lesser amount in a deposit account is sought to be levied upon, not less than twice the lesser amount. The undertaking shall indemnify any third person

rightfully entitled to the property against actual damage by reason of the attachment of the property and shall assure to the third person the return of the property upon proof of the person's right thereto. The undertaking need not name the third person specifically but may refer to the third person generally in the same manner as in this subdivision. If the provisions of this subdivision are not satisfied, the attachment is ineffective and the financial institution shall not comply with the requirements of this section or with the attachment.

(c) Upon delivery of the undertaking to the financial institution, the financial institution shall immediately mail or deliver a notice of the delivery of the undertaking to the third person in whose name the deposit account or safe-deposit box stands. If mailed, the notice shall be sent by registered or certified mail addressed to the person's last address known to the financial institution. The financial institution shall deliver the undertaking as directed by the third person.

(d) Notwithstanding Article 4 (commencing with Section 488.600), from the time of levy and delivery of the undertaking to the financial institution until 15 days after the notice is mailed or delivered under subdivision (c) if no objection to the undertaking is made or, if such objection is made, until the court determines that the undertaking is sufficient, the financial institution shall not do any of the following:

(1) Honor a check or other order for the payment of money drawn against, or pay a withdrawal from, the deposit account that would reduce the deposit account to less than the amount attached. For the purposes of this paragraph, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(2) Permit the removal of any of the contents of the safe-deposit box except pursuant to the writ.

(e) The financial institution is not liable to any person for any of the following during the period prescribed in subdivision (d):

(1) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account where the nonpayment is pursuant to the requirements of subdivision (d).

(2) Refusal to pay a withdrawal from the deposit account where the refusal is pursuant to the requirements of subdivision (d).

(3) Refusal to permit access to the safe-deposit box by the person in whose name it stands.

(4) Removal of any of the contents of the safe-deposit box pursuant to the attachment.

(f) Upon the expiration of the period prescribed in subdivision (d), the financial institution shall comply with the attachment and Sections 488.455 and 488.460 apply.

SEC. 8. Section 700.160 of the Code of Civil Procedure is amended to read:

700.160. (a) The provisions of this section apply in addition to the

provisions of Sections 700.140 and 700.150 if any of the following property is levied upon:

(1) A deposit account standing in the name of a third person or in the names of both the judgment debtor and a third person.

(2) Property in a safe-deposit box standing in the name of a third person or in the names of both the judgment debtor and a third person.

(b) The judgment creditor shall provide, and the levying officer shall deliver to the financial institution at the time of levy, an undertaking given by an admitted surety insurer. The undertaking shall be for not less than twice the amount of the judgment or, if a lesser amount in a deposit account is sought to be levied upon, not less than twice the lesser amount. The undertaking shall indemnify any third person rightfully entitled to the property against actual damage by reason of the levy on the property and shall assure to the third person the return of the property upon proof of the person's right thereto. The undertaking need not name the third person specifically but may refer to the third person generally in the same manner as in this subdivision. If the provisions of this subdivision are not satisfied, the levy is ineffective and the financial institution shall not comply with the requirements of this section or with the levy.

(c) Upon delivery of the undertaking to the financial institution, the financial institution shall immediately mail or deliver a notice of the delivery of the undertaking to the third person in whose name the deposit account or safe-deposit box stands. If mailed, the notice shall be sent by registered or certified mail addressed to the person's last address known to the financial institution. The financial institution shall deliver the undertaking as directed by the third person.

(d) Notwithstanding Article 5 (commencing with Section 701.010), from the time of levy and the delivery of the undertaking to the financial institution until 15 days after the notice is mailed or delivered under subdivision (c) if no objection to the undertaking is made or, if such objection is made, until the court determines that the undertaking is sufficient, the financial institution shall not do any of the following:

(1) Honor a check or other order for the payment of money drawn against, or pay a withdrawal from, the deposit account that would reduce the deposit account to less than the amount levied upon. For the purposes of this paragraph, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(2) Permit the removal of any of the contents of the safe-deposit box except pursuant to the writ.

(e) The financial institution is not liable to any person for any of the following during the period prescribed in subdivision (d):

(1) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account where such

nonpayment is pursuant to the requirements of subdivision (d).

(2) Refusal to pay a withdrawal from the deposit account where such refusal is pursuant to the requirements of subdivision (d).

(3) Refusal to permit access to the safe-deposit box by the person in whose name it stands.

(4) Removal of any of the contents of the safe-deposit box pursuant to the levy.

(f) Upon the expiration of the period prescribed in subdivision (d), the financial institution shall comply with the levy and Sections 700.140 and 700.150 apply.

SEC. 9. Section 720.710 of the Code of Civil Procedure is repealed.

SEC. 10. Section 720.720 of the Code of Civil Procedure is repealed.

SEC. 11. Section 720.730 of the Code of Civil Procedure is repealed.

SEC. 12. Section 720.740 of the Code of Civil Procedure is repealed.

SEC. 13. Section 720.750 of the Code of Civil Procedure is repealed.

SEC. 14. Section 720.760 of the Code of Civil Procedure is amended to read:

720.760. A copy of a notice of motion objecting to an undertaking shall be filed with the levying officer.

SEC. 15. Section 720.770 of the Code of Civil Procedure is amended to read:

720.770. Unless the parties otherwise agree, the hearing on an objection to an undertaking shall be held not less than 10 nor more than 15 days after service of the notice of motion. The court may order the amount of the undertaking decreased below the amount prescribed by Section 720.160 or 720.260 if the court determines the amount prescribed exceeds the probable recovery of the beneficiary if the beneficiary ultimately prevails in proceedings to enforce the liability on the undertaking.

SEC. 16. Section 720.780 of the Code of Civil Procedure is repealed.

SEC. 17. Section 720.790 of the Code of Civil Procedure is repealed.

SEC. 18. Section 726 of the Code of Civil Procedure is amended to read:

726. There can be but one form of action for the recovery of any debt, or the enforcement of any right secured by mortgage upon real property, which action must be in accordance with the provisions of this chapter. In such action the court may, by its judgment, direct the sale of the encumbered property (or so much thereof as may be necessary), and the application of the proceeds of the sale to the payment of the costs of court, and the expenses of the sale, and the amount due plaintiff, including, where the mortgage provides for the payment of attorney's fees, such sum for such fees as the court shall

find reasonable, not exceeding the amount named in the mortgage.

The court may, by its judgment, or at any time after judgment, appoint a commissioner to sell the encumbered property. It must require of him an undertaking in an amount fixed by the court, to the effect that the commissioner will faithfully perform the duties of his office according to law. Before entering upon the discharge of his duties he must file such undertaking, so approved, together with his oath that he will faithfully perform the duties of his office.

The decree for the foreclosure of a mortgage or deed of trust secured by real property or any interest therein shall declare the amount of the indebtedness or right so secured and, unless judgment for any deficiency there may be between the sale price and the amount due with costs is waived by the judgment creditor or a deficiency judgment is prohibited by Section 580b, shall determine the personal liability of any defendant for the payment of the debt secured by such mortgage or deed of trust and shall name such defendants against whom a deficiency judgment may be ordered following the proceedings hereinafter prescribed. In the event of such waiver, or if the prohibition of Section 580b is applicable the decree shall so declare and there shall be no judgment for a deficiency. In the event that a deficiency is not waived or prohibited and it is decreed that any defendant is personally liable for such debt, then upon application of the plaintiff filed at any time within three months of the date of the foreclosure sale and after a hearing thereon at which the court shall take evidence and at which hearing either party may present evidence as to the fair value of the property or the interest therein sold as of the date of sale, the court shall render a money judgment against such defendant or defendants for the amount by which the amount of the indebtedness with interest and costs of sale and of action exceeds the fair value of the property or interest therein sold as of the date of sale; provided, however, that in no event shall the amount of said judgment, exclusive of interest from the date of sale and of costs exceed the difference between the amount for which the property was sold and the entire amount of the indebtedness secured by said mortgage or deed of trust. Notice of such hearing must be served upon all defendants who have appeared in the action and against whom a deficiency judgment is sought, or upon their attorneys of record, at least 15 days before the date set for such hearing. Upon application of any party made at least 10 days before the date set for such hearing the court shall, and upon its own motion the court at any time may, appoint one of the probate referees provided for by law to appraise the property or the interest therein sold as of the time of sale. Such probate referee shall file his appraisal with the clerk and the same shall be admissible in evidence. Such probate referee shall take and subscribe an oath to be attached to the appraisal that he has truly, honestly and impartially appraised the property to the best of his knowledge and ability. Any probate referee so appointed may be called and examined as a witness by any party or by the court itself. The court must fix the compensation, in

an amount as determined by the court to be reasonable, but such fees shall not exceed similar fees for similar services in the community where such services are rendered, which may be taxed and allowed in like manner as other costs.

No person holding a conveyance from or under the mortgagor of the property mortgaged, or having a lien thereon, which conveyance or lien does not appear of record in the proper office at the time of the commencement of the action need be made a party to such action, and the judgment therein rendered, and the proceedings therein had, are as conclusive against the party holding such unrecorded conveyance or lien as if he had been a party to the action.

If the court appoint a commissioner for the sale of the property, he must sell it in the manner provided by law for the sale of like property by the sheriff upon execution; and the provisions of Chapter 1 (commencing with Section 681), Title 9, Part 2, of this code are hereby made applicable to sale made by such commissioner, and the powers therein given and the duties therein imposed on sheriffs are extended to such commissioner.

In all cases heretofore, now or hereafter pending in the courts of this state, in the event of the death, absence from the state, other disability or disqualification of the commissioner appointed to sell encumbered property under the foregoing provisions of this section, the court may, upon the happening of either the death, absence from the state, other disability or disqualification of the commissioner appoint an elisor to perform the duties of such commissioner which are then to be performed in such action. The elisor so appointed shall give the undertaking, and take the oath hereinbefore provided to be given and taken by a commissioner, before entering upon the discharge of his duties, and shall thereafter perform all duties left unperformed by the commissioner whom he is appointed to succeed, with like effect as if such duties had been performed by the commissioner.

If the land mortgaged consists of a single parcel, or two or more contiguous parcels, situated in two or more counties, the court may, in its judgment, direct the whole thereof to be sold in one of such counties by the sheriff, commissioner or elisor, as the case may be, and upon such proceedings, and with like effect, as if the whole of the property were situated in that county.

SEC. 18.2. Section 995.020 of the Code of Civil Procedure is amended to read:

995.020. (a) The provisions of this chapter apply to a bond or undertaking executed, filed, posted, furnished, or otherwise given as security pursuant to any statute of this state, except to the extent the statute prescribes a different rule or is inconsistent.

(b) The provisions of this chapter apply to a bond or undertaking given at any of the following times:

(1) On or after January 1, 1983.

(2) Before January 1, 1983, to the extent another surety is substituted for the original surety on or after January 1, 1983, or to



the extent the principal gives a new, additional, or supplemental bond or undertaking on or after January 1, 1983.

Except to the extent provided in this section, the law governing a bond or undertaking given before January 1, 1983, is the law applicable to the bond or undertaking immediately before January 1, 1983, pursuant to Section 414 of Chapter 517 of the Statutes of 1982.

(c) The provisions of this chapter do not apply to a bail bond or an undertaking of bail.

SEC. 18.5. Section 995.710 of the Code of Civil Procedure is amended to read:

995.710. (a) Except to the extent the statute providing for a bond precludes a deposit in lieu of bond or limits the form of deposit, the principal may, instead of giving a bond, deposit with the officer any of the following:

(1) Lawful money of the United States. The money shall be maintained by the officer in an interest-bearing trust account.

(2) Bearer bonds or bearer notes of the United States or the State of California.

(3) Certificates of deposit payable to the officer, not exceeding the federally insured amount, issued by banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation or by savings and loan associations authorized to do business in this state and insured by the Federal Savings and Loan Insurance Corporation.

(4) Savings accounts assigned to the officer, not exceeding the federally insured amount, together with evidence of the deposit in the savings accounts with banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation.

(5) Investment certificates or share accounts assigned to the officer, not exceeding the federally insured amount, issued by savings and loan associations authorized to do business in this state and insured by the Federal Savings and Loan Insurance Corporation.

(6) Certificates for funds or share accounts assigned to the officer, not exceeding the guaranteed amount, issued by a credit union, as defined in Section 14002 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations.

(b) The deposit shall be in an amount or have a face value, or in the case of bearer bonds or bearer notes have a market value, equal to or in excess of the amount that would be required to be secured by the bond if the bond were given by an admitted surety insurer. Notwithstanding any other provision of this chapter, in the case of a deposit of bearer bonds or bearer notes other than in an action or proceeding, the officer may, in the officer's discretion, require that the amount of the deposit be determined not by the market value of the bonds or notes but by a formula based on the principal amount of the bonds or notes.

(c) The deposit shall be accompanied by an agreement executed

by the principal authorizing the officer to collect, sell, or otherwise apply the deposit to enforce the liability of the principal on the deposit. The agreement shall include the address at which the principal may be served with notices, papers, and other documents under this chapter.

(d) The officer may prescribe terms and conditions to implement this section.

SEC. 19. Section 996.340 of the Code of Civil Procedure is amended to read:

996.340. (a) If the principal does not give a new bond within 30 days after notice of cancellation or withdrawal is given, all rights obtained by giving the original bond immediately cease, any office for which the bond is given is vacant, any commission for which the bond is given is revoked, and any license or registration for which the bond is given is suspended.

(b) A person whose license or registration is suspended shall not operate or carry on business pursuant to the license or registration during the period of suspension. A license or registration that is suspended may be revived only by the giving of a new bond during the license or registration period in which the cancellation or withdrawal occurred.

SEC. 20. Section 1166a of the Code of Civil Procedure is amended to read:

1166a. (a) Upon filing the complaint, the plaintiff may, upon motion, have immediate possession of the premises by a writ of possession of real property issued by the court and directed to the sheriff of the county, or constable or marshal, for execution, where it appears to the satisfaction of the court, after a hearing on the motion, from the verified complaint and from any affidavits filed or oral testimony given by or on behalf of the parties, that the defendant resides out of state, has departed from the state, cannot, after due diligence, be found within the state, or has concealed himself or herself to avoid the service of summons.

(b) Written notice of the hearing on the motion shall be served on the defendant by the plaintiff in accordance with the provisions of Section 1011, and shall inform the defendant as follows: "You may file affidavits on your own behalf with the court and may appear and present testimony on your own behalf. However, if you fail to appear, the plaintiff will apply to the court for a writ of possession of real property."

(c) The plaintiff shall file an undertaking in such sum as shall be fixed and determined by the judge, to the effect that, if the plaintiff fails to recover judgment against the defendant for the possession of the premises or if the suit is dismissed, the plaintiff will pay to the defendant such damages, not to exceed the amount fixed in the undertaking, as may be sustained by the defendant by reason of such dispossession under the writ of possession of real property.

(d) If, at the hearing on the motion, the findings of the court are in favor of the plaintiff and against the defendant, an order shall be

entered for the immediate possession of the premises.

(e) The order for the immediate possession of the premises may be enforced as provided in Division 3 (commencing with Section 712.010) of Title 9 of Part 2.

(f) For the purposes of this section, references in Division 3 (commencing with Section 712.010) of Title 9 of Part 2 and in subdivisions (e) to (m), inclusive, of Section 1174, to the "judgment debtor" shall be deemed references to the defendant, to the "judgment creditor" shall be deemed references to the plaintiff, and to the "judgment of possession or sale of property" shall be deemed references to an order for the immediate possession of the premises.

SEC. 21. Section 25100 of the Corporations Code, as amended by Chapter 1625 of the Statutes of 1982, is amended to read:

25100. The following securities are exempted from the provisions of Sections 25110, 25120, and 25130:

(a) Any security (including a revenue obligation) issued or guaranteed by the United States, any state, any city, county, city and county, public district, public authority, public corporation, public entity, or political subdivision of a state or any agency or corporate or other instrumentality of any one or more of the foregoing; or any certificate of deposit for any of the foregoing.

(b) Any security issued or guaranteed by the Dominion of Canada, any Canadian province, any political subdivision or municipality of any such province, or by any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor; or any certificate of deposit for any of the foregoing.

(c) Any security issued or guaranteed by and representing an interest in or a direct obligation of a national bank or a bank or trust company incorporated under the laws of this state, and any security issued by a bank to one or more other banks and representing an interest in an asset of the issuing bank.

(d) Any security issued or guaranteed by a federal savings and loan association or federal land bank or joint land bank or national farm loan association or by any savings and loan association which is subject to the supervision and regulation of the Savings and Loan Commissioner of this state.

(e) Any security (other than an interest in all or portions of a parcel or parcels of real property which are subdivided land or a subdivision or in a real estate development), the issuance of which is subject to authorization by the Insurance Commissioner, the Public Utilities Commission, or the Real Estate Commissioner of this state.

(f) Any security consisting of any interest in all or portions of a parcel or parcels of real property which are subdivided lands or a subdivision or in a real estate development; provided that the exemption in this subdivision shall not be applicable to any investment contract sold or offered for sale with, or as part of, any

such interest, or to any person engaged in the business of selling, distributing or supplying water for irrigation purposes or domestic use which is not a public utility.

(g) Any shares, investment certificates or borrower's membership certificates (as defined in the Savings and Loan Association Law) issued by a savings and loan association holding a license then in force from the Savings and Loan Commissioner of this state.

(h) Any security issued or guaranteed by any federal credit union, or by any credit union organized and supervised, or regulated, under the Credit Union Law.

(i) Any security issued or guaranteed by any railroad, other common carrier, public utility, or public utility holding company which is (1) subject to the jurisdiction of the Interstate Commerce Commission or (2) a holding company registered with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act or (3) regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, of any state, of Canada or of any Canadian province; and the security is subject to registration with or authorization of issuance by such authority.

(j) Any security (except evidences of indebtedness, whether interest bearing or not) of an issuer (1) organized exclusively for educational, benevolent, fraternal, religious, charitable, social, or reformatory purposes and not for pecuniary profit, if no part of the net earnings of the issuer inures to the benefit of any private shareholder or individual, or (2) organized as a chamber of commerce or trade or professional association. The fact that amounts received from memberships or dues or both will or may be used to construct or otherwise acquire facilities for use by members of the nonprofit organization does not disqualify the organization for this exemption. This exemption does not apply to the securities of any nonprofit organization if any promoter thereof expects or intends to make a profit directly or indirectly from any business or activity associated with the organization or operation of such nonprofit organization or from remuneration received from such nonprofit organization.

(k) Any agreement, commonly known as a "life income contract," of an issuer (1) organized exclusively for educational, benevolent, fraternal, religious, charitable, social, or reformatory purposes and not for pecuniary profit and (2) which the commissioner designates by rule or order, with a donor in consideration of a donation of property to such issuer and providing for the payment to the donor or persons designated by him of income or specified periodic payments from the donated property or other property for the life of the donor or such other persons.

(l) Any note, draft, bill of exchange, or banker's acceptance which is freely transferable and of prime quality, arises out of a current transaction or the proceeds of which have been or are to be

used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal, provided that such paper is not offered to the public in amounts of less than twenty-five thousand dollars (\$25,000) in the aggregate to any one purchaser. In addition, the commissioner may, by rule or order, exempt any issuer of any notes, drafts, bills of exchange or banker's acceptances from qualification of such securities when the commissioner finds that such qualification is not necessary or appropriate in the public interest or for the protection of investors.

(m) Any security issued by any corporation organized and existing under the provisions of Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code.

(n) Any beneficial interest in an employees' pension, profit sharing, stock bonus or similar benefit plan which meets the requirements for qualification under Section 401 of the Federal Internal Revenue Code or any statute amendatory thereof or supplementary thereto. A determination letter from the Internal Revenue Service stating that an employees' pension, profit sharing, stock bonus or similar benefit plan meets such requirements shall be conclusive evidence that such plan is an employees' pension, profit sharing, stock bonus or similar plan within the meaning of the first sentence of this subdivision until the date such determination letter is revoked in writing by the Internal Revenue Service, regardless of whether or not such revocation is retroactive.

(o) Any security listed or approved for listing upon notice of issuance on a national securities exchange certified by rule or order of the commissioner and any warrant or right to purchase or subscribe to any such security.

Such certification of any exchange shall be made by the commissioner upon the written request of the exchange if the commissioner finds that the exchange, in acting on applications for listing of common stock substantially applies each of the minimum standards set forth in subparagraph (1) below, and in considering suspension or removal from listing, substantially applies each of the criteria set forth in subparagraph (2) below.

(1) Listing standards:

(i) Net tangible assets of at least two million dollars (\$2,000,000).

(ii) Net income of at least two hundred fifty thousand dollars (\$250,000) after all charges including federal income taxes in the fiscal year immediately preceding the filing of a listing application and net income before such taxes of at least five hundred thousand dollars (\$500,000).

(iii) Minimum public distribution of 250,000 shares excluding the holdings of officers, directors, controlling shareholders and other concentrated or family holdings among not less than 900 holders including not less than 600 holders of lots of 100 shares or more, with a corresponding requirement that such securities not be largely held

in blocks by institutional investors.

(iv) Minimum price of four dollars (\$4) per share for a reasonable period of time prior to the filing of a listing application.

(v) An aggregate market value for publicly held shares of at least one million five hundred thousand dollars (\$1,500,000).

(2) Criteria for consideration of suspension or removal from listing:

(i) If a company which (A) has net tangible assets of less than one million dollars (\$1,000,000) has sustained net losses in each of its two most recent fiscal years, or (B) has net tangible assets of less than three million dollars (\$3,000,000) and has sustained net losses in three of its four most recent fiscal years.

(ii) If the number of shares publicly held (excluding the holdings of officers, directors, controlling shareholders and other concentrated or family holdings) is less than 150,000.

(iii) If the total number of shareholders of record is less than 450 or if the number of shareholders of lots of 100 shares or more is less than 300.

(iv) If the aggregate market value of shares publicly held is less than seven hundred fifty thousand dollars (\$750,000).

(v) If shares of common stock sell at a price of less than four dollars (\$4) per share for a substantial period of time and the issuer shall fail to effectuate a reverse stock split of such shares within a reasonable period of time after being requested by the exchange to take such action.

The commissioner after appropriate notice and opportunity for hearing in accordance with the provisions of the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, may by rule or order, decertify any exchange previously certified which ceases substantially to apply the standards or criteria as set forth above. A rule or order of certification shall conclusively establish that any security listed or approved for listing upon notice of issuance on any exchange named in a rule or order of certification and any warrant or right to purchase or subscribe to any such security is exempt under this subdivision until the adoption of any rule or order decertifying such exchange.

(p) A promissory note secured by a lien on real property, which is neither one of a series of notes of equal priority secured by interests in the same real property nor a note in which beneficial interests are sold to more than one person or entity.

(q) Any unincorporated interindemnity or reciprocal or interinsurance contract, which qualifies under the provisions of Section 1280.7 of the Insurance Code, between members of a cooperative corporation, organized and operating under Part 2 (commencing with Section 12200) of Division 3 of Title 1, and whose members consist only of physicians and surgeons licensed in California, which contracts indemnify solely in respect to medical malpractice claims against such members, and which do not collect

in advance of loss any moneys other than contributions by each member to a collective reserve trust fund or for necessary expenses of administration.

(1) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of Section 1280.7 of the Insurance Code, the commissioner may, in the commissioner's discretion, bring an action in the name of the people of the State of California in the superior court to enjoin the acts or practices or to enforce compliance with Section 1280.7 of the Insurance Code. Upon a proper showing a permanent or preliminary injunction, restraining order or writ of mandate shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets.

(2) The commissioner may, in the commissioner's discretion, (A) make such public or private investigations within or outside of this state as the commissioner deems necessary to determine whether any person has violated or is about to violate any provision of Section 1280.7 of the Insurance Code or to aid in the enforcement of Section 1280.7, and (B) publish information concerning the violation of Section 1280.7.

(3) For the purpose of any investigation or proceeding under this section, the commissioner or any officer designated by the commissioner may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the commissioner deems relevant or material to the inquiry.

(4) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the superior court, upon application by the commissioner, may issue to the person an order requiring the person to appear before the commissioner, or the officer designated by the commissioner, there to produce documentary evidence, if so ordered, or to give evidence touching the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt.

(5) No person is excused from attending or testifying or from producing any document or record before the commissioner or in obedience to the subpoena of the commissioner or any officer designated by the commissioner, or in any proceeding instituted by the commissioner, on the ground that the testimony or evidence (documentary or otherwise), required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture, but no individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which the person is compelled, after validly claiming the privilege against self-incrimination, to testify or produce evidence (documentary or otherwise), except that the individual testifying is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

(r) Any shares or memberships issued by any corporation organized and existing pursuant to the provisions of Part 2 (commencing with Section 12200) of Division 3 of Title 1; provided (1) the corporation limits its shareholders or members primarily to ultimate consumers or ultimate producers or both and (2) the aggregate investment of any shareholder or member in shares or memberships sold pursuant to this subdivision does not exceed three hundred dollars (\$300). This exemption does not apply to the shares or memberships of any such corporation if any promoter thereof expects or intends to make a profit directly or indirectly from any business or activity associated with the corporation or the operation of such corporation or from remuneration, other than reasonable salary, received from such corporation. This exemption does not apply to nonvoting shares or memberships of any such corporation issued to any person who does not possess, and who will not acquire in connection with the issuance of nonvoting shares or memberships, voting rights in the corporation.

(s) Any security consisting of or representing an interest in a pool of mortgage loans which meets each of the following requirements:

(1) The pool consists of mortgage loans originated or acquired in the ordinary course of business by a national bank or federal savings and loan association having its principal office in this state, by a bank incorporated under the laws of this state or by a savings and loan association which is subject to the supervision and regulation of the Savings and Loan Commissioner and which at the time of transfer to the pool is an authorized investment for such origination or acquiring institution;

(2) The pool of mortgage loans is held in trust by a trustee which is a financial institution specified in paragraph (1) as trustee or otherwise;

(3) The loans are serviced by a financial institution specified in paragraph (1);

(4) Such security is not offered in amounts of less than twenty-five thousand dollars (\$25,000) in the aggregate to any one purchaser; and

(5) Such security is offered pursuant to a registration under the Securities Act of 1933, or pursuant to an exemption under Regulation A under such act, or in the opinion of counsel for the issuer, is offered pursuant to an exemption under Section 4(2) of that act.

SEC. 22. Section 1587 of the Government Code is repealed.

SEC. 23. Section 26855.3 of the Government Code is amended to read:

26855.3. The fee for issuing a certificate pursuant to Section 995.640 of the Code of Civil Procedure is three dollars and fifty cents (\$3.50).

SEC. 24. Section 1376 of the Health and Safety Code is amended to read:

1376. (a) No plan shall conduct any activity regulated by this chapter in contravention of such rules and regulations as the



commissioner may prescribe as necessary or appropriate in the public interest or for the protection of plans, subscribers, and enrollees to provide safeguards with respect to the financial responsibility of plans. Such rules and regulations may require a minimum capital or net worth, limitations on indebtedness, procedures for the handling of funds or assets, including segregation of funds, assets and net worth, the maintenance of appropriate insurance and a fidelity bond and the maintenance of a surety bond in an amount not exceeding fifty thousand dollars (\$50,000).

(b) The surety bond referred to in subdivision (a) shall be conditioned upon compliance by the licensee with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter and orders issued under this chapter. Every surety bond shall provide that no suit may be maintained to enforce any liability thereon unless brought within two years after the act upon which such suit is based.

(c) For purposes of computing any minimum capital requirement which may be prescribed by the rules and regulations of the commissioner under subdivision (a), any operating cost assistance or direct loan made to a plan by the United States Department of Health and Human Services pursuant to Public Law 93-222, as amended, may be treated as a subordinated loan, notwithstanding any express terms thereof to the contrary.

(d) Each solicitor and solicitor firm shall handle funds received for the account of plans, subscribers, or groups in accordance with such rules as the commissioner may adopt pursuant to this subdivision.

(e) The commissioner may, by regulation, designate requirements of this section or regulations adopted pursuant to this section, from which public entities and political subdivisions of the state shall be exempt.

SEC. 25. Section 1448 of the Penal Code is amended to read:

1448. If the complainant does not pay the costs, or give an undertaking therefor, the court may enter judgment against the complainant for the amount of the costs, which may be enforced in the manner provided for enforcement of money judgments generally.

SEC. 26. Section 541 of the Probate Code is amended to read:

541. (a) Except as otherwise provided in this section, every person to whom letters testamentary or of administration are directed to issue (unless the testator has waived such requirement) shall, before receiving them, execute a bond to the State of California, to be approved by a judge of the superior court, conditioned that the executor or administrator shall faithfully execute the duties of the trust according to law. If the bond is to be given by personal sureties, the amount shall be not less than twice the value of the personal property and twice the value of the probable annual income from the real property belonging to the estate, which values shall be ascertained by the court or judge by

examining on oath the party applying, and any other persons. If the bond is to be given by an admitted surety insurer, the court in its discretion may fix the amount of the bond at not less than the value of the personal property and the probable value of the annual rents, issues and profits of all of the property belonging to the estate.

(b) Unless the will provides for a requirement of a bond, if a verified petition for letters testamentary or of administration alleges that all beneficiaries under the last will and testament of the decedent, or that all heirs at law of the decedent, have waived the filing of a bond, the court, on the hearing of the petition, if the petition so requests, may direct that no bond be filed.

SEC. 27. Section 2329 of the Probate Code is amended to read:

2329. (a) If a guardian or conservator moves the court for reduction in the amount of the bond, the motion shall include an affidavit setting forth the condition of the estate.

(b) Except upon a showing of good cause, the amount of the bond shall not be reduced below the amount determined pursuant to Section 2320.

(c) Nothing in this section limits the authority of the court to reduce the amount of the bond with or without notice under Section 2328.

SEC. 28. Section 2334 of the Probate Code is amended to read:

2334. When a petition is filed requesting an order that a guardian or conservator be required to give a bond where no bond was originally required, or an objection is made to the sufficiency of the bond, and the petition or affidavit supporting the objection alleges facts showing that the guardian or conservator is failing to use ordinary care and diligence in the management of the estate, the court, by order, may suspend the powers of the guardian or conservator until the matter can be heard and determined.

SEC. 29. Section 5101 of the Public Contracts Code is amended to read:

5101. A bidder shall not be relieved of the bid unless by consent of the awarding authority nor shall any change be made in the bid because of mistake, but the bidder may bring an action against the public entity in a court of competent jurisdiction in the county in which the bids were opened for the recovery of the amount forfeited, without interest or costs. If the plaintiff fails to recover judgment, the plaintiff shall pay all costs incurred by the public entity in the suit, including a reasonable attorney's fee to be fixed by the court.

SEC. 30. Section 20398 of the Public Contract Code is amended to read:

20398. The board shall cause the highway work, provided for in this article, to be done in accordance with the provisions of Sections 20391 to 20395, inclusive, except that the notice calling for bids shall be published in a newspaper published in the division if there is such a newspaper. The successful bidder shall give a bond in such sum as the board requires, conditioned on the faithful performance of the contract, and on the payment of all labor employed and material

used in the work.

SEC. 31. Section 20413 of the Public Contract Code is amended to read:

20413. All proposals or bids offered shall be accompanied by cash, a cashier's check or a certified check payable to the city, for an amount which shall not be less than 10 percent of the aggregate of the proposal, or by a bond for that amount and so payable, to the satisfaction and approval of the superintendent of streets.

SEC. 32. Section 20426 of the Public Contract Code is amended to read:

20426. All contractors, contracting owners included, shall, at the time of executing any contract for the work, execute a bond to the satisfaction and approval of the superintendent of streets and payable to the city, in a sum not less than 25 percent of the amount of the contract, conditioned upon the faithful performance of the contract.

SEC. 33. Section 20458 of the Public Contract Code is amended to read:

20458. The bond shall provide that the contractor or subcontractor shall pay for any materials, provisions, provender, or other supplies or use of implements or machinery used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind.

SEC. 34. Section 20483 of the Public Contract Code is amended to read:

20483. (a) Each bid shall be accompanied by cash, a cashier's check or a certified check, amounting to 10 percent of the bid, payable to the order of the clerk of the legislative body, or by a bond for that amount and so payable, to the satisfaction and approval of the superintendent of streets. The amount so posted shall be forfeited to the municipality if the bidder does not, within 15 days after written notice that the contract has been awarded to the bidder, enter into a contract with the municipality for the work.

(b) The faithful performance of the contract shall be secured by an undertaking in such penal sum as the legislative body requires, but not less than 25 percent of the contract price, satisfactory to the legislative body. When the proceedings include the acquisition or construction of works, appliances, or improvements to be owned, managed or controlled by a public agency other than the municipality making the acquisitions or ordering the work done, the legislative body of the municipality may require that the undertaking also inure to the benefit of the public agency to the extent of its interest in the entire project. The contractor shall also furnish a labor and material bond as required by law in a sum not less than 50 percent of the contract price.

SEC. 35. Section 20569 of the Public Contract Code is amended to read:

20569. Any person to whom a contract may be awarded pursuant to this article shall provide a bond approved by the board, payable

to the district for at least 25 percent of the estimated contract price, conditioned upon the faithful performance of the contract.

SEC. 36. Section 20589 of the Public Contract Code is amended to read:

20589. Any person to whom a contract is awarded shall enter into a bond, to be approved by the board, payable to the district for its use, for 25 percent of the amount of the contract price, conditioned for the full and faithful performance of the contract. The work shall be done under the direction and to the satisfaction of, and be approved by, the board.

SEC. 37. Section 11301.5 of the Vehicle Code is amended to read:

11301.5. If a deposit is given instead of the bond required by Section 11301:

(a) The Director of Motor Vehicles may order the refund of the deposit three years from the date a vehicle verifier has ceased to be licensed, if the director is satisfied that there are no outstanding claims against the deposit. A judge of a municipal or superior court may order the return of the deposit prior to the expiration of three years from the date a vehicle verifier has ceased to be licensed if there is evidence satisfactory to the court that there are no outstanding claims against the deposit.

(b) If the director, department, or state is a defendant in any action instituted to recover all or any part of the deposit, or any action is instituted by the director, department, or state to determine those entitled to any part of the deposit, the director, department, or state shall be paid reasonable attorney fees and costs from the deposit. Costs shall include those administrative costs incurred in processing claims against the deposit.

SEC. 38. Section 11713 of the Vehicle Code is amended to read:

11713. It shall be unlawful and a violation of this code for the holder of any license issued under this article:

(a) To make or disseminate or cause to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, any statement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading; or to so make or disseminate or cause to be so disseminated any such statement as part of a plan or scheme with the intent not to sell any vehicle or service so advertised at the price stated therein, or as so advertised.

(b) To advertise or offer for sale or exchange in any manner, any vehicle not actually for sale at the premises of the dealer or available to the dealer from the manufacturer or distributor of the vehicle at the time of the advertisement or offer; provided, however, that this subdivision does not apply to advertising or offering for sale or exchange any used mobilehome or used commercial coach, as defined by Section 18014 of the Health and Safety Code, other than a recreational vehicle, as defined by Section 18010 of the Health and

Safety Code, where the advertising or offering for sale is not contrary to any terms of a contract between the seller of the mobilehome or commercial coach and the owner of the mobilehome park, and which mobilehome or commercial coach is either in place on a lot rented or leased for human habitation within an established mobilehome park, as defined in Section 18214 of the Health and Safety Code, or is otherwise located, pursuant to a local zoning ordinance or permit, on a lot where its presence has been authorized or its continued presence and the use would be authorized, for a total and uninterrupted period of at least one year.

(c) To fail within 48 hours in writing to withdraw any advertisement of a vehicle that has been sold or withdrawn from sale.

(d) To advertise or represent a vehicle as a new vehicle if the vehicle falls within the purview of Section 665.

(e) To engage in the business for which licensee is licensed without having in force and effect a bond as provided in Section 11710.

(f) For any licensed dealer to engage in the business for which the dealer is licensed without at all times maintaining an established place of business as required by this code.

(g) To include, as an added cost to the selling price of a vehicle, an amount for licensing or transfer of title of the vehicle, which amount is not due to the state unless, prior to the sale, that amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of the fees. However, a dealer may collect from the second purchaser of a vehicle a prorated fee based upon the number of months remaining in the registration year for that vehicle, if the vehicle had been previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this code and Chapter 2 (commencing with Section 10751) of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the vehicle.

(h) To employ any person as a salesman who has not been licensed pursuant to Article 2 (commencing with Section 11800), and whose license is not displayed on the premises of the dealer as provided in Section 11812.

(i) To deliver, following sale, a vehicle for operation on California highways, if the vehicle does not meet all of the equipment requirements of Division 12 (commencing with Section 24000).

(j) To use or permit the use of the special plates assigned to him for any purpose other than as permitted by Section 11715.

(k) To advertise or otherwise represent, or knowingly to allow to be advertised or represented on behalf of or at the place of business of the license holder, that no downpayment is required in connection with the sale of a vehicle when a downpayment is in fact required and the buyer is advised or induced to finance the downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the vehicle.

(l) To participate in the sale of a vehicle reported to the

Department of Motor Vehicles under the provisions of Section 5900 or 5901 without making the return and payment of any sales tax due and required by Section 6451 of the Revenue and Taxation Code.

(m) To permit the use of the dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of vehicles required to be registered under this code, or to permit the use of the dealer's license, supplies, or books to operate a branch location to be used by any other person, whether or not the licensee has any financial or equitable interest or investment in the vehicles sold by, or the business of, or branch location used by, the other person.

(n) To violate any of the provisions of Article 10 (commencing with Section 28050) of Chapter 5 of Division 12.

(o) To violate any of the provisions of Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code or any rules and regulations issued pursuant thereto.

SEC. 38.5. Section 16434 of the Vehicle Code is amended to read:

16434. Proof of ability to respond in damages may be given by a bond. The bond shall be conditioned for the payment of the amount specified in Section 16430, and shall provide for the entry of judgment on motion of the state in favor of any holder of any final judgment on account of damages to property over five hundred dollars (\$500) in amount, or injury to any person caused by the operation of the person's motor vehicle.

SEC. 39. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Chapter 998 of the Statutes of 1982 enacted the Bond and Undertaking Law, operative January 1, 1983. Chapter 517 of the Statutes of 1982 made conforming changes in other statutes to conform to the Bond and Undertaking Law, also operative January 1, 1983. Because many of the conforming changes made by Chapter 517 were chaptered out or superseded by other chapters enacted in 1982, it is necessary that this act take immediate effect in order to ensure a smooth transition to the Bond and Undertaking Law and to avoid undue disruption and confusion in the law.

SEC. 40. Sections 7 to 17, inclusive, and 20 of this act shall become operative on July 1, 1983.

SEC. 41. Section 21 of this act shall become operative on January 1, 1984.

## CHAPTER 19

An act making an appropriation in augmentation of Items 9840-001-001, 9840-001-494, and 9840-001-988 of the Budget Act of 1982, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor April 29, 1983. Filed with  
Secretary of State April 29, 1983.]

I am reducing the General Fund Appropriation contained in Assembly Bill No. 354 from \$439,000,000 to \$431,500,000 by deleting the \$7,500,000 appropriation to fund a deficiency in the regional center program

The regional center deficiency will be funded through redirection of existing resources, by proposed statutory changes and a deficiency appropriation in Assembly Bill 40X. I anticipate AB 40X reaching my desk in the near future.

With this reduction, I approve Assembly Bill No. 354.

George Deukmejian, Governor

*The people of the State of California do enact as follows:*

SECTION 1. Notwithstanding the provisions of Section 13338.8 of the Government Code, the sum of seven hundred ninety-four million seven hundred fifty thousand dollars (\$794,750,000) is hereby appropriated for expenditure in the 1982-83 fiscal year in augmentation of, and for the purposes of contingencies or emergencies as provided in, Items 9840-001-001, 9840-001-494, and 9840-001-988 of the Budget Act of 1982 as follows:

- |   |               |
|---|---------------|
| (a) From the General Fund to the reserve for contingencies or emergencies in Item 9840-001-001 .....          | \$439,000,000 |
| (b) From special funds to the reserve for contingencies or emergencies in Item 9840-001-494 .....             | \$ 4,500,000  |
| (c) From nongovernmental cost funds to the reserve for contingencies or emergencies in Item 9840-001-988..... | \$351,250,000 |

SEC. 2. The Director of Finance may withhold authorization for expenditure of funds provided in Section 1 of this act until such time and to the extent that preliminary estimates of potential deficiencies are verified. The Director of Finance shall report bimonthly to the chairperson of the Joint Legislative Budget Committee on the status of the Department of Finance's verification of deficiencies and allocation of funds pursuant thereto.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

## CHAPTER 20

An act relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1983. Filed with  
Secretary of State May 4, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Notwithstanding Sections 16105 and 39363 of the Education Code, the Castro Valley Unified School District may deposit up to five hundred thousand dollars (\$500,000) of the proceeds of the sale or lease of district surplus property into the general fund of the school district in the 1982-83 school year for any general fund purposes.

Money transferred pursuant to this authorization shall be repaid to the State Allocation Board over a one-year period to the extent of any claim the board may have pursuant to Section 16105.

SEC. 2. Due to the unique circumstance concerning the financial condition of the Castro Valley Unified School District, the Legislature finds and declares, that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Castro Valley Unified School District finds itself in a precarious financial position and is in danger of not being able to provide continued, adequate education to its pupils.

In order for the district to continue to provide adequate education for its pupils, it is necessary that this act take effect immediately.

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CHAPTER 21

An act to amend Section 4016.2 of the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1983. Filed with  
Secretary of State May 5, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4016.2 of the Insurance Code is amended to read:

4016.2. (a) The presence in person or by proxy of 5 percent of



the members of a domestic mutual insurer entitled to vote at any meeting shall constitute a quorum for the transaction of all business of the insurer, including but not limited to, the amendment of the articles of incorporation or bylaws of the insurer, unless otherwise provided in the articles of incorporation or bylaws of such insurer.

(b) Any required member approval shall be by the affirmative vote of a number of members which, as to a stock corporation, would constitute approval of the shareholders (Section 153 of the Corporations Code) rather than approval of the outstanding shares (Section 152 of the Corporations Code).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Section 1 of this act expresses the intent of the Legislature in initially enacting Section 4016.2 of the Insurance Code (Ch. 300, Stats. 81) and in a subsequent amendment to that section in 1982 (Ch. 817, Stats. 82). Therefore, in order to rectify a possible misconstruction of the original intent of the Legislature it is necessary that this act take effect immediately.

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## CHAPTER 22

An act to amend Section 853.6a of the Penal Code, and to amend Sections 256, 257, and 259.1 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor May 4, 1983. Filed with  
Secretary of State May 5, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 853.6a of the Penal Code is amended to read:

853.6a. If the person arrested appears to be under the age of 18 years, and the arrest is for a violation of the Fish and Game Code not declared to be a felony, a violation of Section 640 or Section 640a, or a violation of subdivision (m) of Section 602, the notice under Section 853.6 shall instead provide that the person shall appear before the juvenile court, a juvenile court referee, or a juvenile traffic hearing officer within the county in which the offense charged is alleged to have been committed, and the officer shall instead, as soon as practicable, file the duplicate notice with the prosecuting attorney unless the prosecuting attorney directs the officer to file the duplicate notice with the clerk of the juvenile court, the juvenile court referee, or the juvenile traffic hearing officer. If the notice is filed with the prosecuting attorney, within 48 hours before the date specified on the notice to appear, the prosecutor, within his or her

discretion, may initiate proceedings by filing the notice or a formal petition with the clerk of the juvenile court, or the juvenile court referee or juvenile traffic hearing officer, before whom the person is required to appear by the notice.

SEC. 2. Section 256 of the Welfare and Institutions Code is amended to read:

256. Subject to the orders of the juvenile court, a traffic hearing officer may hear and dispose of any case in which a minor under the age of 18 years as of the date of the alleged offense is charged with any violation of the Vehicle Code not declared to be a felony, or a violation of subdivision (m) of Section 602 of the Penal Code, or a violation of the Fish and Game Code not declared to be a felony, or a violation of any of the equipment and registration provisions of the Harbors and Navigation Code, or a violation of any provision of an ordinance of a city, county, or local agency relating to traffic offenses, or a violation of Section 126 or 27176 of the Streets and Highways Code, or a violation of any provision of an ordinance of a city, county, or local agency relating to evasion of fares on a public transportation system, as defined by Section 99211 of the Public Utilities Code, or a violation of Section 640 or 640a of the Penal Code.

SEC. 3. Section 257 of the Welfare and Institutions Code is amended to read:

257. With the consent of the minor, a hearing before a traffic hearing officer, or a hearing before a referee or a judge of the juvenile court, where the minor is charged with a traffic offense, may be conducted upon an exact legible copy of a written notice given pursuant to Article 2 (commencing with Section 40500) of Chapter 2 of Division 17 or Section 41103 of the Vehicle Code, or an exact legible copy of a written notice given pursuant to Chapter 5C (commencing with Section 853.6) of Title 3 of Part 2 of the Penal Code when the offense charged is a violation of the Fish and Game Code not declared to be a felony, a violation of subdivision (m) of Section 602 of the Penal Code, a violation of a provision of an ordinance of a city, county, or local agency relating to fare evasion on a public transportation system, as defined by Section 99211 of the Public Utilities Code, or a violation of Section 640 or 640a of the Penal Code, in lieu of a petition as provided in Article 16 (commencing with Section 650).

SEC. 4. Section 259.1 of the Welfare and Institutions Code is amended to read:

259.1. (a) Upon a hearing conducted in accordance with Section 257, upon admission by the minor of the commission of the offense charged under an ordinance of a city, county, or local agency relating to fare evasion on a public transportation system or of Section 640 or 640a of the Penal Code, or upon a finding that the minor did in fact commit the offense, the judge, referee, or traffic hearing officer may do any one of the following:

- (1) Reprimand the minor and take no further action.
- (2) Direct the probation officer to file a petition as provided for

in Article 16 (commencing with Section 650).

(3) Order that the minor pay to the treasurer of the county a sum, not to exceed fifty dollars (\$50).

(4) Order that the minor shall perform community service for a total of not to exceed 20 hours over a period not to exceed 30 days, during times other than his or her hours of school attendance or employment.

(b) The judge, referee, or traffic hearing officer shall retain jurisdiction of the case until all orders made under this section have been fully complied with.

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## CHAPTER 23

An act to amend Section 25536 of the Government Code, relating to county contracts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1983 Filed with  
Secretary of State May 5, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25536 of the Government Code is amended to read:

25536. (a) Nothing in this article shall prevent the board of supervisors of a county from, and the board of supervisors of any county is empowered to make contracts, acquiring, leasing, or subleasing property pursuant to Section 1261 of the Military and Veterans Code, or, by a four-fifths vote of the board, entering into leases, or concession or managerial contracts involving leasing or subleasing all or any part of county-owned, leased, or managed property devoted to or held for ultimate use for airport, vehicle parking, fairground, beach, park, amusement, recreation, or employee cafeteria purposes, or industrial or commercial development incidental thereto or not inconsistent therewith without compliance with this article.

(b) In addition to the powers provided in subdivision (a), the County of Monterey may enter into a lease, concession, or managerial contract involving the leasing or subleasing of all or any part of a county-owned, leased, or managed property devoted to or held for ultimate use for juvenile placement.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of a juvenile placement facility in Monterey County.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the operation of a juvenile placement facility in Monterey County in the best interests of placed juveniles as soon as possible, it is necessary for this act to take effect immediately.

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## CHAPTER 24

An act to amend Sections 24451.1 and 24451.3 of, and to repeal Section 24451.1 of, the Financial Code, relating to loans.

[Approved by Governor May 4, 1983. Filed with  
Secretary of State May 5, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 24451.1 of the Financial Code, as added by Chapter 724 of the Statutes of 1981, is amended to read:

24451.1. As an alternative to the charges authorized by Section 24451 a licensee may contract for and receive charges at the greater of:

(a) A rate not exceeding 1.6 percent per month on the unpaid principal balance.

(b) A rate not exceeding five-sixths of 1 percent per month plus a percentage per month equal to one-twelfth of the annual rate prevailing on the 25th day of the second month of the quarter preceding the quarter in which the loan is made as established by the Federal Reserve Bank of San Francisco on advances to member banks under Sections 13 and 13a of the Federal Reserve Act as now in effect or hereafter from time to time amended, or if there is no such single determinable rate for advances, the closest counterpart of this rate as shall be designated by the Superintendent of Banks of the State of California. Charges shall be calculated on the unpaid principal balance.

SEC. 2. Section 24451.1 of the Financial Code, as amended and renumbered by Chapter 1009 of the Statutes of 1982, is repealed.

SEC. 3. Section 24451.3 of the Financial Code is amended to read:

24451.3. In addition to the charges authorized by Section 24451 or 24451.1 a licensee may contract for and receive an acquisition fee, which shall be fully earned immediately upon making the loan, with respect to a loan of a principal amount of not more than two thousand five hundred dollars (\$2,500) at a rate not in excess of 5 percent of the principal amount or fifty dollars (\$50), whichever is lesser. Only one acquisition fee may be contracted for or received until the loan has been repaid in full. No acquisition fee may be contracted for or received in connection with refinancing a loan with respect to which an acquisition fee has been received.

## CHAPTER 25

An act relating to public resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 6, 1983. Filed with  
Secretary of State May 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. The agreement with respect to the San Bruno Mountain Area Habitat Conservation Plan entered into March 4, 1983, by and among the State of California, acting by and through the Department of Parks and Recreation and the Department of Fish and Game, and various other public and private persons and entities and recorded as document number 83026343 in the Official Records of San Mateo County, and all agreements entered into pursuant thereto, including, but not limited to, an agreement to restrict use of land, an easement for enforcement on county-owned conserved habitat, and an easement for enforcement on state-owned conserved habitat, are hereby confirmed, validated, and declared legally effective.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the protection and security of various endangered species and other plant and animal species of concern at the earliest possible time, it is necessary that this act take effect immediately.

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CHAPTER 26

An act to amend Section 6463 of the Financial Code, relating to savings and loan associations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 6, 1983. Filed with  
Secretary of State May 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6463 of the Financial Code is amended to read:

6463. With the approval of the commissioner, an association, although it has shares but no stock outstanding, may amend its articles of incorporation to authorize the issuance of stock and may issue stock. Any amendment to the articles of incorporation and

bylaws of an association which for the first time authorizes it to issue stock must be approved by the vote or written assent of the holders of a majority in value of its outstanding shares. The commissioner may require, as a condition to permitting the issuance of stock by an association which has shares but no stock outstanding, that all stock to be initially issued be subscribed and fully paid. An amendment to the articles of incorporation of an association pursuant to this section may include such provisions with respect to the surplus, reserves and undivided profits of such association as may be approved by the vote or written assent of the holders of a majority in value of its outstanding shares, and in such case the surplus, reserves and undivided profits shall be retained and disposed of in accordance with such provisions.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Changes in federal and state law in 1982 created impetus for conversion from mutual to stock capitalization, from federal to state charter. Certain laws exist in California which are inconsistent with recent federal enactments, but are beyond the reach of current parity emergency regulation authority under Section 5500.5 of the Financial Code. It is necessary that this act take effect at the earliest possible date to grant state savings and loan associations competitive equality in these conversion areas with federal associations. To promote such parity, which will help encourage the regeneration of a strong state system, and to both maintain a viable and independent Department of Savings and Loan and enhance and preserve the strength and stability of state associations for the benefit and protection of their depositors, it is essential that this act take effect immediately.

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## CHAPTER 27

An act to add Section 54774.3 to the Government Code, relating to local agency formation commissions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 6, 1983. Filed with  
Secretary of State May 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 54774.3 is added to the Government Code, to read:

54774.3. (a) The commission shall develop, determine, and adopt the sphere of influence for each local governmental agency within its jurisdiction no later than January 1, 1985.

(b) Until January 1, 1985, a commission which has not adopted a sphere of influence for a local governmental agency may review, approve, conditionally approve, or disapprove a proposal which includes territory which might be contained within the sphere of such local agency. When acting on a proposal pursuant to this subdivision the commission shall prepare a written statement of findings with respect to the existence of agricultural preserves in the area which could be considered within an agency's sphere of influence and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of influence of a local governmental agency. If the proposal would result in the conversion of prime agricultural land to nonagricultural use, the commission shall make written findings explaining the reasons for its determination.

SEC. 2. The approval or conditional approval by a local agency formation commission of an annexation, detachment, formation, incorporation, change of organization, or reorganization, pursuant to the Municipal Organization Act of 1977 (Part 2 (commencing with Section 35000) of Division 2 of Title 4 of the Government Code), the Knox-Nisbet Act (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), or the District Reorganization Act of 1965 (Division 1 (commencing with Section 56000) of Title 6 of the Government Code), which occurred prior to the determination of a sphere of influence as required by Section 54774 of the Government Code, is hereby confirmed, validated, and declared legally effective solely with respect to the spheres of influence issue, notwithstanding any failure to comply with the requirement that a sphere be determined prior to the commission's action, provided that the approval or conditional approval occurred prior to the effective date of this act.

SEC. 3. It is the intent of the Legislature in enacting this act to respond to the court's decision in the case of *Resource Defense Fund v. Santa Cruz Local Agency Formation Commission* (138 Cal. App. 3d 987), and to delay the deadline for the adoption of spheres of influence until January 1, 1985. Section 2 of this act shall be construed as confirming, validating, and making legally effective only that portion of an action by a local agency formation commission defective because of the failure to determine a sphere of influence and shall not be construed as validating any other defects which may have occurred in such action.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act relates to a recent court decision which requires that before a local agency formation commission approves a proposal it must have adopted the sphere of influence for each local governmental agency which might include the subject territory. Because that decision may preclude the approval of annexations and

other proposals necessary for needed land use development, this act must take effect immediately.

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## CHAPTER 28

An act to amend Section 1547 of the Penal Code, relating to rewards, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 6, 1983. Filed with  
Secretary of State May 9, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1547 of the Penal Code is amended to read:

1547. (a) The Governor may offer a reward of not more than ten thousand dollars (\$10,000), payable out of the General Fund, for information leading to the arrest and conviction of any of the following:

(1) Any convict who has escaped from a state prison, prison camp, prison farm, or the custody of any prison officer or employee or as provided in Section 3059, 4530, or 4531.

(2) Any person who has committed, or is charged with the commission of, an offense punishable with death.

(3) Any person engaged in the robbery or hijacking of, or any attempt to rob or hijack, any person upon or in charge of, in whole or in part, any public conveyance engaged at the time in carrying passengers within this state.

(4) Any person who kills, assaults with a deadly weapon, or inflicts serious bodily harm upon a police officer who is acting in the line of duty.

(5) Any person who has committed a crime involving the burning or bombing of public property, including any public hospital housed in a privately owned facility.

(6) Any person who has committed a crime involving the burning or bombing of any private hospital. A reward may be offered by the Governor in conjunction with such a crime only if a reward in conjunction with the same crime is offered by the hospital, or any other public or private donor on its behalf. The amount of the reward offered by the Governor shall not exceed the aggregate amount offered privately, or ten thousand dollars (\$10,000), whichever is less. Nothing in this paragraph shall preclude a private hospital, or any public or private donor on its behalf, from offering a reward in an amount exceeding ten thousand dollars (\$10,000). If a person providing information for a reward under this paragraph so requests, his or her name and address shall remain confidential. This confidentiality, however, shall not preclude or obstruct the investigations of law enforcement authorities.



(b) The reward shall be paid to the person giving the information, immediately upon the conviction of the person so arrested.

(c) As used in this section, "hijacking" means an unauthorized person causing, or attempting to cause, by violence or threat of violence, a public conveyance to go to an unauthorized destination.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Recently, numerous fires have been started at a large hospital endangering the lives and safety of patients and employees. In order to assist in the prosecution and conviction of the person or persons responsible and to protect the safety of persons in hospitals, it is necessary that this act go into immediate effect.

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## CHAPTER 29

An act to amend Section 1004 of the Probate Code, relating to probate, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1983 Filed with  
Secretary of State May 11, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1004 of the Probate Code is amended to read:

1004. When the time for filing or presenting claims has expired and all uncontested claims have been paid or are sufficiently secured by mortgage, or otherwise, but the estate is not in a condition to be finally closed and distributed, the executor or administrator to whom authority has been granted to administer the estate without court supervision, in accordance with Article 2 (commencing with Section 591) of Chapter 8 of Division 3, may petition the court for authority to distribute a portion of the estate to the person or persons entitled thereto. Such petition need not include an accounting, provided that when the petition seeks authority to distribute to a trustee the petition shall include an accounting unless the trustee consents to the distribution without an accounting. The total amount of the property distributed under this section shall not exceed 50 percent of the net value of the estate. The clerk shall set the petition for hearing by the court and notice shall be given in the manner provided in Section 1200.5, but the court may order the notice to be given for a shorter period or dispensed with. If the court shall determine that all of the allegations of the petition are true, that the estate is but little indebted, that the property to be distributed does not exceed 50 percent of the net value of the estate, and that the distribution may

be made without loss or injury to the estate or any person interested therein, the court shall make an order authorizing the executor or administrator to distribute the property to the person or persons entitled thereto. For purposes of this section, "net value of the estate" means the excess of the value of the assets of the estate reflected by all inventories and appraisements on file with the court over the total amount of all creditors' claims filed or presented and liens and encumbrances recorded or known to the executor or administrator not reflected in any creditors' claims filed or presented, excluding death tax liens occasioned by the decedent's death.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify the probate law regarding petitions for partial distribution, it is necessary that this act take effect immediately.

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## CHAPTER 30

An act to amend Section 1101.1 of the Corporations Code, relating to corporations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1983. Filed with  
Secretary of State May 11, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1101.1 of the Corporations Code is amended to read:

1101.1. The last two sentences of Section 1101 do not apply to any transaction if the Commissioner of Corporations, the Superintendent of Banks, the Savings and Loan Commissioner, the Commissioner of Insurance or the Public Utilities Commission has approved the terms and conditions of the transaction and the fairness of such terms and conditions pursuant to Section 25142 or Section 696.5, 9204, or 11707 of the Financial Code or Section 838.5 of the Insurance Code or Section 822 of the Public Utilities Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The application of the specified requirements of Section 1101 of the Corporations Code to transactions which have been approved by the Savings and Loan Commissioner would result in delays in processing the merger of corporations. In order to facilitate mergers which have been approved by the commissioner, it is necessary that

this act take effect immediately.

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## CHAPTER 31

An act to add Section 6348.7 to the Business and Professions Code, relating to law libraries, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1983. Filed with  
Secretary of State May 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6348.7 is added to the Business and Professions Code, to read:

6348.7. A board of law library trustees may enter into an agreement with a county for the joint exercise of powers pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code for the purpose of constructing a building or buildings to house the law library and court or county facilities, without limitation as to the number of courtrooms such building or buildings may contain, and may lease from any authority created pursuant to such agreement the space required for law library purposes.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

An immediate need exists for the construction of additional court and related law library facilities to accommodate increased court workload, to increase court efficiency, and to avoid deterioration in the administration of justice.

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## CHAPTER 32

An act to amend Section 18521 of the Financial Code, relating to financial institutions.

[Approved by Governor May 11, 1983 Filed with  
Secretary of State May 12, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18521 of the Financial Code is amended to read:

18521. Each industrial loan company, other than a premium finance agency, which has issued and has outstanding thrift

obligations shall, as a condition to its authority to conduct business under this division, participate as a member in Guaranty Corporation in accordance with this chapter and rules established by the Board of Directors of Guaranty Corporation, unless its outstanding thrift obligations are insured or guaranteed by an instrumentality of the United States government.

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## CHAPTER 33

An act to amend Section 2982.8 of the Civil Code, relating to the Automobile Sales Finance Act.

[Approved by Governor May 11, 1983. Filed with  
Secretary of State May 12, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2982.8 of the Civil Code is amended to read:  
2982.8. (a) If a buyer is obligated under the terms of the conditional sale contract to maintain insurance on the vehicle and subsequent to the execution of the contract the buyer either fails to maintain or requests the holder to procure such insurance, any amounts advanced by the holder to procure such insurance may be the subject of finance charges from the date of advance as provided in subdivision (d). Such amounts shall be secured as provided in the contract and permitted by Section 2984.2 if the holder notifies the buyer in writing of his or her option to repay such amounts in any one of the following ways:

(1) Full payment within 10 days from the date of giving or mailing the notice.

(2) Full amortization during the term of the insurance.

(3) If offered by the holder, any other amortization plan.

If the buyer neither pays in full the amounts advanced nor notifies the holder in writing of his or her choice regarding amortization options before the expiration of 10 days from the date of giving or mailing the notice by the holder, the holder shall amortize the amounts advanced on a secured basis pursuant to paragraph (2).

(b) The written notification described in subdivision (a) shall also set forth the amounts advanced by the holder and, with respect to each amortization plan the amount of the additional finance charge, the sum of the amounts advanced and the additional finance charge, the number of installments required, the amount of each installment and the date for payment of the installments.

(c) If subsequent to the execution of the contract the holder advances amounts for repairs to or preservation of the motor vehicle or preservation of the holder's security interest therein and such advances are occasioned by the buyer's default under the contract, such advances may be the subject of finance charges from the date

of advance as provided in subdivision (d) and shall be secured as provided in the contract and permitted by Section 2984.2.

(d) The maximum rate of finance charge which may be imposed on amounts advanced by the holder subsequent to the execution of the contract for insurance, repairs to or preservation of the motor vehicle, or preservation of the holder's security interest therein, shall not exceed the annual percentage rate disclosed pursuant to Section 2982.

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## CHAPTER 34

An act making an appropriation to pay the settlement of certain claims against the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1983. Filed with  
Secretary of State May 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. (a) The sum of three million four hundred eighty-two thousand one hundred ninety-two dollars and two cents (\$3,482,192.02) is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund, to the State Board of Control to pay in accordance with subdivisions (b) and (c) the settlement of the separate, consolidated claims of the plaintiffs named therein against the state.

(b) The Board of Control shall pay the sum of two million two hundred twelve thousand one hundred ninety-two dollars and two cents (\$2,212,192.02) to settle the claims of the plaintiffs in the case entitled Jerol R. Hodges, Jack Thomas Hodges, and Robert William Hodges v. State of California, case number C300478, brought in the Superior Court of the State of California in the County of Los Angeles. This amount shall be subject to offset for any amounts received by the plaintiffs from the state, in accordance with the terms of the settlement.

(c) The Board of Control shall pay the sum of one million two hundred seventy thousand dollars (\$1,270,000) to settle the claims of the plaintiffs in the case entitled William Bradley Lemons, Thomas Edward Lemons, Marie Therese Lemons, Mark Christopher Lemons, and Karen Elizabeth Lemons v. State of California, case number NWC79384, brought in the Superior Court of the State of California in the County of Los Angeles.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay the settlement of the claims arising out of the

actions brought by the plaintiffs and to end the hardship of the plaintiffs as quickly as possible, it is necessary that this act go into immediate effect.

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## CHAPTER 35

An act to amend and supplement the Budget Act of 1982 by amending Section 8.45 thereof, relating to parks and recreation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 12, 1983. Filed with  
Secretary of State May 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8.45 of the Budget Act of 1982, as added by Chapter 1617 of the Statutes of 1982, is amended to read:

Sec. 8.45. Notwithstanding any other provision of law, Provision 11 of Item 3790-301-721 is null and void and shall have no force or effect; and, instead, funds appropriated in category (tt) of Item 3790-301-721 for acquisition at the Big Sur Project shall be for the purchase of the following real property from willing sellers only: Little Sur River (Hill Ranch Project); parcels 243-231-15, 243-231-18, 243-241-13, and 243-301-7 and approximately 14.2 acres of parcel 243-301-8 at Garrapata State Beach; and parcel 601-818-00 at Julia Pfeiffer Burns State Park.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the specific parcels authorized for acquisition for the Big Sur Project may be revised and restricted to willing sellers only at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 36

An act to add Section 750.5 to the Labor Code, relating to smelters and underground workings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 12, 1983. Filed with  
Secretary of State May 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 750.5 is added to the Labor Code, to read:

750.5. The provisions of Section 750 shall not prohibit a period of employment up to 12 hours within a 24-hour period when the employer and a labor organization representing employees of the employer have entered into a valid collective-bargaining agreement where the agreement expressly provides for the wages, hours of work, and working conditions of the employees.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The economic viability of mining and mining related employment has been limited in certain instances due to the lack of authority by employers and employee representatives to determine hours and conditions of employment. To achieve these needed changes through collective-bargaining agreements at the earliest possible time, it is necessary for this act to take effect immediately.

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## CHAPTER 37

An act to amend Section 43830 of the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 12, 1983. Filed with  
Secretary of State May 12, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 43830 of the Health and Safety Code is amended to read:

43830. The state board shall establish, by regulation, maximum standards for the volatility of gasoline at nine pounds per square inch Reid vapor pressure as determined by the American Society for Testing and Materials test D 323-58, or by an appropriate test determined by the state board, for gasoline sold in this state.

The state board, in adopting the regulations, shall give full consideration to climatic conditions and may provide that the maximum standards imposed thereby shall be applicable only during those periods of time and only in those areas which the state board determines necessary in order to carry out the purposes of this division.

Notwithstanding any other law or regulation, until January 1, 1987, any blend of gasoline of at least 10 percent ethyl alcohol shall be considered a legal fuel in California if the gasoline used in the blend meets the standard of nine pounds per square inch Reid vapor

pressure.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to continue without interruption the widespread use of blends of gasoline and alcohol as authorized by Chapter 179 of the Statutes of 1980, it is necessary that this act take effect immediately.

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## CHAPTER 38

An act relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 1983. Filed with  
Secretary of State May 17, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. A sum not to exceed six hundred thousand dollars (\$600,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the Emery Unified School District for the 1982-83 fiscal year for any purpose for which money in the district general fund may be used.

SEC. 2. (a) If the Emery Unified School District accepts the appropriation made pursuant to this act, the appropriation shall be deemed an apportionment made pursuant to Section 41310 of the Education Code, and the requirements of Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code shall be met by the district, except that the reports required of the district shall be submitted directly to the Superintendent of Public Instruction.

(b) Notwithstanding subdivisions (b) and (c) of Section 41320 of the Education Code, the Superintendent of Public Instruction shall review the reports submitted pursuant to subdivision (a) of this section and submit a copy of the reports to the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, and the Director of Finance.

(c) Notwithstanding Section 41322 of the Education Code, the Superintendent of Public Instruction, no more than 18 months after the disbursement of funds to the Emery Unified School District, shall make a followup review on the action taken by the district and submit a report to the Director of Finance of the results of the action taken to correct the financial problems of the district.

SEC. 3. In order to repay the allocation made pursuant to Section 1, the Emery Unified School District shall sell an elementary school site within a one-year period from the date of receipt of the allocation and shall use the proceeds of the sale towards repayment of the loan,



together with amounts representing interest at a rate equal to the rate earned by the state in the Pooled Money Investment Account as of the date of disbursement of funds to the district.

If the school site cannot be sold within the one-year period, the district shall, at least 30 days prior to the expiration of the period, notify the county superintendent of schools of this fact and shall request an extension of time from the Superintendent of Public Instruction.

During this one-year period of time, and during any extension granted thereto, the county superintendent of schools shall (a) monitor and review the financial plans and activities of the district as developed by an independent auditor approved by the county superintendent of schools, and (b) approve any budgetary changes that would increase the fiscal liabilities of the district.

SEC. 4. Due to the unique circumstances concerning the Emery Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Because of a dramatic decline in income resulting in an overestimate of receipts from state apportionments, and in order that the Emery Unified School District may continue meeting its operational costs in the 1982-83 fiscal year, it is necessary that this act take effect immediately.

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## CHAPTER 39

An act to amend Sections 1274.3, 1274.35, 1274.8, 10205, 10206, and 10217 of, and to add Sections 10212.1 and 10212.2 to, the Unemployment Insurance Code, relating to unemployment insurance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 1983. Filed with  
Secretary of State May 17, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1274.3 of the Unemployment Insurance Code is amended to read:

1274.3. A determination of potential eligibility for benefits under this article shall be issued to an unemployed individual if the director finds that:

(a) The individual has been unemployed for four or more continuous weeks, or the individual is unemployed and unlikely to

return to his or her most recent workplace because work opportunities in the individual's job classification are impaired by a plant closure or a substantial reduction in employment at the individual's most recent workplace, or by advancement in technological improvements, the effects of automation and relocation in the economy, and foreign competition as set forth in petitions certified under the federal Trade Act of 1974, as amended (Title 19, United States Code, Sections 2101 et seq.), or because of a mental or physical disability which prohibits the individual from utilizing existing occupational skills.

(b) One of the substantial causes of the individual's continuous unemployment is a lack of sufficient demand in the individual's labor market area for the occupational skills for which the individual is fitted by training and experience or current physical or mental capacity and that the lack of employment opportunities is expected to continue for an extended period of time, or, if the individual's occupation is one for which there is a seasonable variation in demand in the labor market, that the lack of demand for the individual's skills is the result of a decline in demand, expected to continue for an extended period of time and is not the result of a seasonal fluctuation.

(c) The training or retraining course of instruction relates to an occupation or skill for which there are, or are expected to be in the immediate future, reasonable employment opportunities in the labor market area in this state in which the individual intends to seek work and there is not a substantial surplus of workers with requisite skills in the occupation in that area.

(d) The training or retraining course of instruction is one approved by the director and can be completed within one year.

(e) The training or retraining course is prescribed for the primary purpose of training the applicant in skills that will allow him or her to obtain immediate employment in a demand occupation and is not primarily intended to meet the requirements of any degree from a college, community college, or university.

(f) The individual can be reasonably expected to complete the training or retraining successfully.

SEC. 2. Section 1274.35 of the Unemployment Insurance Code is amended to read:

1274.35. (a) Notwithstanding any other provision of this division, any unemployed individual who, as determined by the director, has been laid off from work as a result of a plant closure or a substantial reduction in employment at the individual's most recent workplace at the time the individual filed his or her parent claim, and whose benefit year has expired and who is not entitled to establish a benefit year, or who has exhausted benefits payable under this part, Part 3 (commencing with Section 3501), and Part 4 (commencing with Section 4001), or any other federal unemployment compensation law, after January 1, 1982, and who applies for a determination of potential eligibility for benefits under this article no later than December 31, 1982, and who is determined otherwise eligible for

benefits under this division is eligible for an additional maximum of 26 times his or her most recent weekly benefit amount and shall not be denied benefits under this division in any week he or she is otherwise eligible for benefits under this article.

(b) Notwithstanding any other provision of this division, any other unemployed individual who, as determined by the director, has been laid off from work as a result of a plant closure or a substantial reduction in employment at the individual's most recent workplace at the time the individual filed his or her parent claim, and who is receiving benefits payable under this part, Part 3 (commencing with Section 3501), or Part 4 (commencing with Section 4001) or under any other federal unemployment compensation law, who, by December 31, 1983, applies for a determination of potential eligibility for benefits under this article and is determined otherwise eligible for benefits under this article, is eligible for an additional maximum of 26 times his or her weekly benefit amount under the provisions of this article.

(c) Notwithstanding any other provision of this division, any unemployed individual receiving benefits payable under this part, Part 3 (commencing with Section 3501), or Part 4 (commencing with Section 4001), or any other federal unemployment compensation law, who, after December 31, 1982, but before July 1, 1983, and no later than the 14th week of his or her unemployment, applies for a determination of potential eligibility for benefits under this article and is determined eligible for benefits under this article, is eligible for a maximum of 52 times his or her weekly benefit amount under the provisions of this division.

(d) Any claimant receiving benefits pursuant to subdivision (a), (b), or (c) who becomes eligible to file an unemployment compensation claim under state law or any other federal unemployment compensation law, shall file the claim in order to remain eligible under this article.

(e) Additional benefits paid under this section, and not otherwise payable under this division, shall be charged to individual employer reserve accounts, consistent with other provisions of this code.

(f) To the extent permitted by federal law, benefits payable under any federal unemployment compensation law shall be included as benefits payable under the provisions of this section.

(g) For the purposes of this section, the director shall only approve those training programs which meet the criteria described in Section 1274.3 and which are affiliated with an employer or a labor organization.

(h) This section shall remain in effect only until a total of twenty million dollars (\$20,000,000) is expended from the Unemployment Fund pursuant to this section or until July 1, 1984, whichever date occurs first, and on that date is repealed, unless a later enacted statute chaptered before that date deletes or extends that date.

SEC. 3. Section 1274.8 of the Unemployment Insurance Code is amended to read:

1274.8. Notwithstanding any other provision of this article, no payment of benefits during a period of training or retraining as described in this article shall be made to any individual for any week or part of any week with respect to which he or she receives training or retraining benefits, allowances or stipends pursuant to the provisions of any federal law, including, but not limited to, the Comprehensive Employment and Training Act of 1973, as amended, providing for the payment of such benefits, but excluding costs of training paid pursuant to the federal Trade Act of 1974, as amended (Title 19, United States Code, Sections 2101 et seq.). Training or retraining benefits, allowances or stipends as used herein means discretionary use, cash in-hand payments available to the individual to be used as he or she sees fit. Direct and indirect compensation for training costs such as tuition, books, and supplies are excluded as a condition of approval.

SEC. 4. Section 10205 of the Unemployment Insurance Code is amended to read:

10205. The panel shall do all of the following:

(a) Solicit proposals and write contracts on the basis of proposals made directly to it and on the basis of the recommendations of the local review panels. Contracts may be written with any employer or any group of employers acting jointly or any training agency for the purpose of providing employment training. These contracts shall be in the form of fixed-fee performance contracts. Notwithstanding any provision of law to the contrary, contracts entered into pursuant to this chapter shall not be subject to competitive bidding procedures. No trainee shall receive employment training under this chapter for a period of more than 18 months. Contracts for training may be written for a period not to exceed 24 months for the purpose of administration by the panel and the contracting employer or any group of employers acting jointly or any training agency for the purpose of providing employment training.

(b) Allocate the Employment Training Fund. In doing so, the panel shall seek to facilitate the employment of the maximum number of eligible participants in jobs with definite career potential and long-term job security. In no case shall the statewide allocation be based solely on population. Nothing in this chapter shall be construed to preclude the panel from entering into contracts with employers, groups of employers, or training agencies for the provision of training in multijurisdictional areas of the state. In writing contracts, priority shall be given to employers and training for employers who are expanding their business enterprises in this state, to employers and training for employers who are establishing enterprises in areas targeted for economic development by the Department of Economic and Business Development, and to employers and training for employers in industries in which there are critical skills shortages. Preference shall be given to apprenticeship and similar training in which a person is employed at the commencement of training.

(c) Establish minimum standards for the consideration of proposals, which shall include, but not be limited to, the identification of employers who will employ successful trainees, the number of jobs available, the skill requirements for the identified jobs, the projected cost per trainee, and the wage level of the available jobs. No proposal shall be considered which proposes training for employment covered by a collective-bargaining agreement unless the signatory labor organization agrees in writing.

(d) Ensure the provision of adequate fiscal and accounting controls for, monitoring and auditing of, and other appropriate technical and administrative assistance to, projects funded by this chapter.

(e) Provide for evaluation of projects funded by this chapter. Individual project evaluations shall contain a summary description of the project, the number of persons entering training, the number of persons completing training, the number of persons employed at the end of the project, the number of persons still employed three months after the end of the project, the wages paid, the total costs of the project, and the total reimbursement received from the Employment Training Fund.

(f) Report annually to the Legislature, by September 30, on projects operating during the previous state fiscal year. These annual reports shall provide separate summaries of (1) projects completed during the year, including their individual and aggregate performance and cost; and (2) projects not completed during the year, briefly describing each project and identifying approved contract amounts by contract and for this category as a whole. The first annual report is due September 30, 1984.

(g) Expedite the processing of contracts for firms considering locating or expanding businesses in the state, as determined by the Department of Economic and Business Development.

SEC. 5. Section 10206 of the Unemployment Insurance Code is amended to read:

10206. The panel may allocate money in the fund for any of the following purposes:

(a) Reimbursement of actual training costs incurred by employers and training agencies and for reasonable administrative costs.

(b) Costs of program administration incurred under this chapter.

For fiscal year 1983-84 and each fiscal year thereafter the panel's administrative costs exclusive of the cost of administering Section 976.6 shall not exceed more than 5 percent of the amount collected pursuant to Section 976.6.

(c) Costs of the Legislative Analyst's program evaluation conducted pursuant to Section 15395.

SEC. 6. Section 10212.1 is added to the Unemployment Insurance Code, to read:

10212.1. All personnel of the panel shall be appointed, directed, and controlled only by the panel or its authorized deputies or agents to whom it may delegate its powers.

SEC. 7. Section 10212.2 is added to the Unemployment Insurance Code, to read:

10212.2. (a) The panel shall prepare a budget covering necessary administrative costs of the panel. The budget shall not be subject to change by the director except as agreed to by the panel. In the event that agreement cannot be reached, the Secretary of Health and Welfare shall attempt to reach a mutual agreement. In the event a mutual agreement cannot be reached, the final decision shall rest with the Governor.

(b) The director shall furnish at the request of the panel equipment, supplies, and housing unless specified otherwise in this code, and nonpersonal and housekeeping services required by the panel and shall perform any other mechanics of administration as the panel and the director may agree upon.

SEC. 8. Section 10217 of the Unemployment Insurance Code is amended to read:

10217. (a) Funds in the Employment Training Fund created by Section 1610 shall be appropriated annually in the Budget Act by the Legislature for allocation by the panel for the purposes of this chapter.

(b) Except for funds appropriated under subdivisions (c) and (d), those funds accruing in the Employment Training Fund are hereby appropriated to the Employment Development Department for the support of the Employment Training Panel for job training contracts consistent with Sections 10206 and 10212.2 of the Unemployment Insurance Code, as the panel determines necessary to meet its responsibilities as set forth in Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3 of the Unemployment Insurance Code during the 1982-83 fiscal year.

(c) There is hereby appropriated from the Employment Training Fund to the Employment Development Department for allocation by the Employment Training Panel for its administration, consistent with Sections 10206 and 10212.2 of the Unemployment Insurance Code, two hundred eighteen thousand dollars (\$218,000) during the 1982-83 fiscal year.

(d) There is hereby appropriated from the Employment Training Fund to the Employment Development Department the sum of one million five hundred fifty-two thousand dollars (\$1,552,000) for the support of the department in administering Section 976.6 and Article 6 (commencing with Section 1610) of Chapter 6 of Part 1 of Division 1 of the Unemployment Insurance Code during the 1982-83 fiscal year.

SEC. 9. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1

of that code.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the immediate retraining of workers whose unemployment benefits are about to be exhausted and to prevent the adverse consequences to workers, families, and communities and the costs to the state of long-term unemployment, it is necessary that this act take effect immediately.

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## CHAPTER 40

An act to amend Sections 175 and 177 of, and to add and repeal Chapter 6 (commencing with Section 8460) of Part 2 of Division 5 of, the Water Code, and to amend and supplement the Budget Act of 1979 by amending Section 2.9B thereof, relating to public resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1983. Filed with  
Secretary of State May 26, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 175 of the Water Code is amended to read:

175. There is in the Resources Agency the State Water Resources Control Board consisting of five members appointed by the Governor. One of the members appointed shall be an attorney admitted to practice law in this state who is qualified in the fields of water supply and water rights, one shall be a registered civil engineer under the laws of this state who is qualified in the fields of water supply and water rights, one shall be a registered professional engineer under the laws of this state who is experienced in sanitary engineering and who is qualified in the field of water quality, and one shall be qualified in the field of water quality. One of the above-appointed persons, in addition to having the specified qualifications, shall be qualified in the field of water supply and water quality relating to irrigated agriculture. One member shall not be required to have specialized experience.

Each member shall represent the state at large and not any particular portion thereof and shall serve full time. The board shall, to the extent possible, be composed of members from different regions of the state. The appointments so made by the Governor shall be subject to confirmation by the Senate in accordance with Article 2 (commencing with Section 1770) of Chapter 4 of Division 4 of Title 1 of the Government Code.

SEC. 2. Section 177 of the Water Code is amended to read:

177. All members of the board shall be appointed for terms of four years. Vacancies shall be immediately filled by the Governor for the unexpired portion of the terms in which they occur.

SEC. 3. Chapter 6 (commencing with Section 8460) is added to Part 2 of Division 5 of the Water Code, to read:

#### CHAPTER 6. FLOOD MANAGEMENT AT LAKE ELSINORE

8460. This chapter provides interim authority for measures for the control and removal of floodwaters from Lake Elsinore. This authority may be exercised only until the time when permanent flood control facilities are constructed at Lake Elsinore and along Temescal Wash.

8461. (a) The department is designated as the lead agency of the state for implementing a program of control and removal of floodwaters from Lake Elsinore. The department, other state agencies, cities, counties, and districts are hereby authorized to cooperate with one another and with agencies of the United States in implementing the program.

(b) The City of Lake Elsinore shall be responsible for the day-to-day operation of pumps for the removal of floodwaters from Lake Elsinore and shall report to the department and the County of Riverside from time to time on the progress made in removing the floodwaters.

8462. (a) Any contract entered into by the department for the purposes of this chapter is not subject to approval by the Department of General Services or the Attorney General.

(b) Any project undertaken pursuant to this chapter is not subject to approval by the State Public Works Board.

8463. The department shall enter into an agreement with the County of Riverside, the City of Lake Elsinore, and any other public agency or private entity deemed appropriate by the department, to indemnify the state and hold it harmless from any liability that may arise from any activity or project undertaken pursuant to this chapter.

8464. No public agency is liable for any damage to land or any improvements resulting from any activity or project undertaken pursuant to this chapter if the occupation or use of the land or improvement is not in conformity with the requirements of any applicable law, regulation, or ordinance.

8465. The department shall furnish pumps and other equipment owned by the department as needed for the control and removal of floodwaters from Lake Elsinore, provided that the department is not required to furnish any pumps or other equipment which is essential to the State Water Project. No rent shall be charged for the use of the pumps and other equipment, but the department shall be reimbursed for any costs incurred in installing, operating, repairing, refurbishing, and removing any pumps or other equipment so used.

8466. Because of the urgent need to reduce the level of Lake



Elsinore in the aftermath of extraordinary rainfall during the winter of 1982-83, the California regional water quality control board for the Santa Ana region is requested to expedite the processing of application of necessary permits in order to facilitate the prompt implementation of this chapter during 1983 and in subsequent years.

8467. (a) Not later than January 1, 1984, the Department of Finance shall establish a formula for allocating the costs of any activity or project undertaken pursuant to this chapter. The formula shall reflect the extent of the benefit conferred on private and public property by activities and projects undertaken pursuant to this chapter.

(b) Commencing with the budget bill for the 1984-85 fiscal year, the Department of Finance shall include in each budget bill an appropriation to the Department of Water Resources to meet the state's share of all costs reasonably expected to be incurred in the implementation of this chapter in that fiscal year. As used in this subdivision, "state's share" means that portion of the total costs expected to be incurred that reflects the extent of the benefit conferred on state property by activities and projects undertaken pursuant to this chapter, as determined by the formula established pursuant to subdivision (a).

(c) No funds appropriated pursuant to this section shall be encumbered until funds from nonstate sources, sufficient to meet the nonstate share of all costs reasonably expected to be incurred in a particular project or activity, have been encumbered, as determined by the Department of Finance.

8468. This chapter shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends that date.

SEC. 4. Section 2.9B of the Budget Act of 1979, as amended by Chapter 1305 of the Statutes of 1980, is amended to read:

#### NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT PROGRAM

Sec. 2.9B. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1981-82, 1982-83, and 1983-84 fiscal years, unless otherwise provided herein, for the programs contemplated by Section 5096.124 of the Public Resources Code, except that appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1981-82 fiscal year. All such appropriations shall be paid out of the State, Urban, and Coastal Park Fund.

#### CAPITAL OUTLAY

#### RESOURCES

507.5B—For capital outlay, Department of Parks and Recreation, for purposes set forth in paragraph (1) of subdivision (e) of Section 5096.124 of the Public Resources Code, payable from the State, Urban, and Coastal Park Fund .....  
Schedule:

6,000,000

- (a) Acquisition of land, leases, and other interests in land; acquisition and development of recreation facilities at Lake Elsinore

State Recreation Area ..... 6,000,000

provided, that none of the funds appropriated for the projects set forth herein shall be available for expenditure unless and until such projects are recommended by the State Park and Recreation Commission and reviewed by the Secretary of the Resources Agency.

Provided further, that the sum of \$250,000, or so much thereof as necessary, shall be available for expenditure pursuant to Chapter 6 (commencing with Section 8460) of Part 2 of Division 5 of the Water Code for site preparation for construction of recreation facilities; however, not more than \$150,000 of that sum shall be expended for removing water resulting from rainfall during the winter of 1982–83. Except for removing water resulting from rainfall during the winter of 1982–83, such sums shall only be used to meet the state's share of costs, as defined in subdivision (b) of Section 8467 of the Water Code, and only if funds for the nonstate share of costs have been encumbered as provided in subdivision (c) of Section 8467 of the Water Code.

SEC. 5. The unencumbered balance of the funds appropriated by Section 3 of Chapter 372 of the Statutes of 1980 is hereby reappropriated to the Department of Parks and Recreation for transfer to the Department of Water Resources for expenditure for the purposes of Chapter 6 (commencing with Section 8460) of Part 2 of Division 5 of the Water Code during the 1983 calendar year.

SEC. 6. Funds appropriated by Section 4 of this act for expenditure pursuant to Chapter 6 (commencing with Section 8460) of Part 2 of Division 5 of the Water Code shall be transferred by the Department of Parks and Recreation to the Department of Water Resources for expenditure; provided, however, that the funds appropriated by Section 5 of this act shall be expended first and the funds appropriated by Section 4 of this act shall not be encumbered unless and until no funds appropriated by Section 5 of this act are available for encumbrance.

SEC. 7. (a) The Legislature finds and declares that the existence of extraordinary floodwaters at Lake Elsinore poses a serious threat to public health, impairs access to, and use of, recreational facilities at the Lake Elsinore State Recreation Area, and precludes construction and development of recreational facilities at the state recreation area.

(b) The Legislature further finds that the removal of floodwaters at Lake Elsinore pursuant to this act constitutes a part of the Lake Elsinore Recreation Area project recommended by the State Park and Recreation Commission and reviewed by the Secretary of the Resources Agency.

(c) The Legislature further finds and declares that removal of floodwaters at Lake Elsinore pursuant to this act constitutes specific actions necessary to prevent or mitigate an emergency under paragraph (4) of subdivision (b) of Section 21080 of the Public Resources Code.

SEC. 8. Notwithstanding subdivision (d) of Section 13260 of the Water Code, filing fees for market and manufacturing milk dairy farms or dairy feedlots shall not exceed the fee charged to the facility when the initial report of proposed discharge was filed or a waiver of the report of waste discharge was granted by the regional board plus an annual adjustment for inflation based on the consumer price index not to exceed 6 percent per year. Any fees heretofore collected in excess of the fees permitted by this subdivision shall be refunded to the discharger.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to insure better administration of water pollution statutory provisions, to insure that filing fees for waste discharge reports filed by market and manufacturing milk dairy farms or dairy feedlots will be in accordance with this act, and to remove floodwaters at Lake Elsinore which are creating a threat to public health and property at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 41

An act to add Section 61765.9 to the Government Code, and to amend Sections 3 and 12 of Chapter 1435 of the Statutes of 1961, relating to local agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1983 Filed with  
Secretary of State May 26, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 61765.9 is added to the Government Code, to read:

61765.9. Notwithstanding the provisions of Section 61765, in the Big Bear City Community Services District, the water standby or availability charge shall not exceed forty dollars (\$40) per year for each acre of land on which the charge is levied or forty dollars (\$40) per year for a parcel less than one acre.

The proceeds from any standby assessment or availability charge in excess of ten dollars (\$10) per year for each acre or ten dollars (\$10) per year for a parcel less than one acre shall only be used for the purpose of financing the design and construction of municipal water system improvements within the district or retiring indebtedness incurred by the district for the financing of those improvements.

This section, applicable only to the Big Bear City Community Services District, is necessary because of the unique and special water management and financing problems in the area included within the district.

SEC. 2. Section 3 of the San Gorgonio Pass Water Agency Law (Chapter 1435 of the Statutes of 1961) is amended to read:

Sec. 3. The board of directors shall, at its first meeting, or as soon thereafter as practicable, divide the agency into five divisions, which shall be as nearly as practicable equal in area. The divisions shall be numbered first, second, third, fourth and fifth. One director shall be elected for each division by the voters thereof at the next general agency election following the organization of the agency, and two directors at large shall be elected at the election by the voters of the agency as a whole. Each director elected or appointed for a division shall be an elector in that division, and each director at large shall be an elector in the agency. Each director elected or appointed for a division is herein called a "divisional director," and each of the two directors elected or appointed for the agency at large is herein called a "director at large." The two offices of directors at large shall respectively be known as "director at large No. 1" and "director at large No. 2."

SEC. 3. Section 12 of the San Gorgonio Pass Water Agency Law (Chapter 1435 of the Statutes of 1961) is amended to read:

Sec. 12. The board of directors shall act only by ordinance, resolution, or motion. On all ordinances the roll shall be called and the ayes and noes recorded in the journal of the proceedings of the board of directors. Resolutions and orders may be adopted by voice vote, but on demand of any member the roll shall be called. No ordinance, motion, or resolution shall be passed or become effective without the affirmative vote of a majority of the members of the board. The enacting clause of all ordinances passed by the board shall be: "Be it ordained by the Board of Directors of the San Gorgonio Pass Water Agency as follows:". Each of the members of the board

of directors shall receive for each attendance at the meetings of the board twenty dollars (\$20), or such other amount as the board shall establish, not to exceed one hundred dollars (\$100). No directors, however, shall receive pay for more than three meetings in any calendar month. Any vacancy in the board of directors shall be filled by a majority of the remaining directors, the person so chosen shall be qualified to fill such vacancy and shall hold office for the remainder of the unexpired term.

SEC. 4. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique and special water management and financing problems within the Big Bear City Community Services District which are not common to other districts organized pursuant to this division. Enabling the district to levy increased water standby or availability charges will allow the district to more fairly allocate the cost of needed municipal water system improvements to both improved and unimproved parcels of real property which benefit therefrom. If such increased charges are not authorized, the owners of improved property would be required to pay a disproportionately large share of the cost through increased water rates and the owners of unimproved benefited parcels of property would pay little or nothing toward that cost.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit the equitable financing of vital municipal water system improvements within the Big Bear City Community Services District and in order to permit the San Geronio Water Agency to take advantage of the provisions of this act at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 42

An act to amend Section 53212 of the Government Code, relating to local agencies.

[Approved by Governor May 27, 1983 Filed with  
Secretary of State May 27, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 53212 of the Government Code is amended to read:

53212. As used in this article, "local agency" means a county, city, public district, joint powers agency, or any public or municipal corporation.

## CHAPTER 43

An act to amend Section 30634 of the Public Utilities Code, relating to transit.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 30634 of the Public Utilities Code is amended to read:

30634. The district may enter into agreements for the joint use of any property and rights by the district and any city, public agency or public utility operating transit facilities; may enter into agreements with any city, public agency or public utility operating any transit facilities, either wholly or partially within, or without, the district, for the joint use of any property of the district or of such city, public agency or public utility, or the establishment of through routes, joint fares, transfer of passengers or pooling arrangements. As to any service which the district is authorized to perform pursuant to this part, the district may contract for the performance of such service by any city, county, or public utility operating transit facilities the territory of which is wholly or partly included within the district.

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CHAPTER 44

An act to amend Sections 30005, 30630.5, and 99250 of the Public Utilities Code, relating to transportation.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 30005 of the Public Utilities Code is amended to read:

30005. (a) "Rapid transit," as used in this part, means the transportation of passengers only and their incidental baggage by means other than by chartered bus, sightseeing bus, taxi, or any other motor vehicle not on an individual passenger fare paying basis, except as otherwise provided in subdivision (b).

(b) Nothing in this section shall be construed to prohibit the district from any of the following:

- (1) Leasing its buses to private certified public carriers.
- (2) Providing school bus service for the transportation of pupils between their homes and schools.
- (3) Providing charter bus services to governmental agencies, if

comparable service is unavailable through privately operated bus companies, and to special events, other than regular and preseason scheduled professional and amateur sporting events.

(c) Notwithstanding subdivision (a) or paragraph (3) of subdivision (b), nothing in this section shall be construed to prohibit the district from providing charter bus services, which are incidental to the holding of the Olympic Games in Los Angeles, to any party or to any event during the period from May 1, 1984, to September 30, 1984, inclusive, if the district does not curtail existing, regularly scheduled services.

SEC. 2. Section 30630.5 of the Public Utilities Code is amended to read:

30630.5. The district may operate charter bus service, subject to the following limitations:

(a) No bus equipment which is designed solely for charter service shall be purchased. A bus equipped with a toilet or underfloor baggage compartment shall be deemed to be bus equipment which is designed solely for charter service.

(b) Except as provided in subdivision (d), the board shall hold a public hearing prior to adopting a charter rate schedule or any amendment thereto. Notice of the hearing shall be mailed to each charter-party carrier operating within the district at least 30 days prior to the date of the hearing. The notice shall include the proposed charter rate schedule. At the close of the public hearing, the board may adopt charter rate schedules which shall not be less than the average for the three largest private charter party carriers operating similar service in the district.

(c) Charter service operations by the district shall originate and terminate within the area served by the district, unless a private charter-party carrier requests the district to provide service beyond that area.

(d) The district may establish a schedule of rates for charter bus services which are incidental to the holding of the Olympic Games in Los Angeles. The rates for charter-party bus services established under this subdivision shall be sufficient to pay all fully allocated costs related to those charter bus services and shall contribute financially to the reduction of deficits incurred by the district in the operation of scheduled route services. The rates shall be at least equal to the average of the lowest rates charged by the three largest private charter party carriers operating similar service in Los Angeles County. The schedule of rates shall be effective from May 1, 1984, to September 30, 1984, inclusive.

SEC. 3. Section 99250 of the Public Utilities Code is amended to read:

99250. (a) All charter bus services authorized to be performed by a public transportation system receiving funding under this chapter shall contribute financially to the reduction of deficits incurred in the operation of scheduled route service. In addition, the charter bus service shall not interfere with regularly scheduled

service to the public or compete unfairly with private operators where the private operators are willing and able to provide charter bus service.

(b) Except as provided in subdivision (d) or (e), charter bus service rates and minimums shall be established which are either of the following:

(1) At least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating charters originating in the same service area of the public transportation system during the prior year.

(2) At least equal to the fully allocated cost of each charter operated. All terms and conditions, in addition to the base rate, shall be at least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating a charter originating in the same service area of the public transportation system during the prior year.

(c) All charter bus service rates shall be reviewed and adjusted not less than semiannually to reflect variations in actual and assumed costs, as well as private charter bus carrier rates.

(d) If the operator of a public transportation system determines that there is a public need that cannot otherwise be met, the operator may provide charter bus services to charitable or public service organizations at direct cost, not to exceed ten thousand dollars (\$10,000) or a total of 40 charter buses per year, whichever occurs first.

(e) This section shall not apply to charter bus services which are incidental to the holding of the Olympic Games in Los Angeles during the period of May 1, 1984, to September 30, 1984, if the public transportation system establishes charter bus rates for those services which are sufficient to pay all fully allocated costs related to those services, which are at least equal to the average of the lowest rates charged by the three largest private charter party carriers operating similar service within Los Angeles County, and which contribute financially to the reduction of deficits incurred by the system in the operation of scheduled route service.

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## CHAPTER 45

An act to amend Section 13140.5 of the Health and Safety Code, relating to fire services.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*



SECTION 1. Section 13140.5 of the Health and Safety Code is amended to read:

13140.5. The board shall be composed of the following voting members: the State Fire Marshal, the Chief of Fire Protection of the Department of Forestry, the Chief of the Fire and Rescue Division, Office of Emergency Services, a representative of the insurance industry, four fire chiefs, five fire service labor representatives, one representative from city government, and one representative from county government.

The following members shall be appointed by the Governor: a representative of the insurance industry, four fire chiefs, five fire service labor representatives, one representative from city government, and one representative from county government. Each member appointed shall be a resident of this state. Three of the fire chiefs appointed to the board shall be selected from a list of names recommended by the Board of Directors of the California Fire Chiefs' Association, Inc. and one fire chief shall be selected from a list of names submitted by the California Metropolitan Fire Chiefs. The five fire service labor representatives shall be selected from a list of names recommended by statewide employee organizations representing rank and file firefighters with organization memberships exceeding 2,000 firefighters, but not more than one fire service labor representative shall be selected from among persons recommended by any one of the employee organizations, unless each organization is represented on the membership of the board. The city government representative shall be selected from elected or appointed city chief administrative officers. The county government representative shall be selected from elected or appointed county chief administrative officers. The appointed members, except those first appointed, shall be appointed for a term of four years. Of the members first appointed seven shall be appointed for a term of two years and four shall be appointed for a term of four years. Any member chosen by the Governor to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the member he or she is to succeed.

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## CHAPTER 46

An act to amend Section 8101.6 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8101.6 of the Revenue and Taxation Code is amended to read:

8101.6. (a) No refund of any tax shall be granted on motor vehicle fuel used in propelling passenger carrying vehicles, except six cents (\$.06) of the tax imposed upon each gallon of motor vehicle fuel used in propelling passenger carrying vehicles used for the transportation of persons for hire, compensation, or profit of the following:

(1) Any transit district, transit authority, or city owning and operating a local transit system itself or through a wholly owned nonprofit corporation.

(2) Any private entity providing transportation services for the transportation of people under contract or agreement, except general franchise agreements, with a public agency authorized to provide public transportation services, including, but not limited to, any nonprofit corporation designated as a consolidated transportation service agency pursuant to subdivision (a) of Section 15975 of the Government Code, which provides door-to-door transportation services under contract or agreement with a transit district, transit authority, or public agency authorized to provide transportation services, but only for fuels consumed while providing services under those contracts or agreements entered into subsequent to the effective date of this act.

(3) Any passenger stage corporation subject to the jurisdiction of the Public Utilities Commission when the motor vehicles of such passenger stage corporation are exclusively operated in urban or suburban areas or between cities in close proximity; provided, however, that the exemption is not extended to any line or lines operated by such passenger stage corporation which shall exceed 50 miles of one-way route mileage.

(4) Any common carrier of passengers operating exclusively on any line or lines within the limits of a single city between fixed termini or over a regular route, 98 percent of whose operations, as measured by total route mileage operated, are exclusively within the limits of a single city, and who by reason thereof is not a passenger stage corporation subject to the jurisdiction of the Public Utilities Commission.

(b) The exemption provided for in subdivision (a) shall not be applicable to motor vehicle fuel used by a charter-party carrier of passengers. The term "charter-party carrier of passengers" has the same meaning as that specified in Section 5360 of the Public Utilities Code and shall further include those transportation services described in subdivisions (a) and (e) of Section 5353 of the Public Utilities Code, if such transportation service is rendered as contract carriage and not as common carriage of passengers.

(c) There are in the State of California many private entities providing public transportation services for the transportation of

people in vehicles other than buses under contract or agreement with local government, transit districts or local bus transit operators. It is the purpose of this section to provide relief from the payment of fuel tax for gasoline fuel for those private entities only for fuels consumed while providing these services.

SEC. 2. The Legislature finds and declares that the amendments made to Section 8101.6 of the Revenue and Taxation Code by this act are declaratory of existing law.

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## CHAPTER 47

An act to amend Section 20251 of the Public Contract Code, relating to transit districts.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1 Section 20251 of the Public Contract Code is amended to read:

20251. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds fifteen thousand dollars (\$15,000), shall be by contract let to the lowest responsible bidder.

(b) The construction of facilities and works, when the expenditure required exceeds three thousand dollars (\$3,000), shall be by contract let to the lowest responsible bidder.

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

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## CHAPTER 48

An act to amend Sections 5549 and 5594 of the Public Resources Code, relating to regional park or open-space districts.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5549 of the Public Resources Code is amended to read:

5549. (a) The general manager has the following administrative and executive functions, powers, and duties. The general manager

shall do all of the following:

(1) See that the provisions of this article and all ordinances and regulations of the district are enforced.

(2) Appoint subordinates, clerks, and other employees, and exercise supervision and control over all departments and offices of the district. Such appointees shall hold employment at the pleasure of the general manager.

(3) Attend all meetings of the board unless excused by the board.

(4) Submit to the board for adoption such measures, ordinances, and regulations as he or she deems necessary or expedient.

(5) See that all terms and conditions imposed in favor of the district or its inhabitants in any contract are faithfully kept and performed, and call any violations to the attention of the board and to the police department.

(6) Prepare and submit the annual budget to the board, and perform such other duties as may be imposed by this article or by the board.

(b) With the approval of the board, the general manager may bind the district, without advertising and without written contract, (1) for the payment for supplies, materials, labor, or other valuable consideration for any purpose other than new construction of any building, structure, or improvement in amounts not exceeding ten thousand dollars (\$10,000) and (2) for the payment for supplies, materials, or labor for new construction of any building, structure, or improvement in amounts not exceeding twenty-five thousand dollars (\$25,000). All expenditures shall be reported to the board of directors at its next regular meeting.

SEC. 2. Section 5594 of the Public Resources Code is amended to read:

5594. All contracts for furnishing supplies, materials, labor, or other valuable consideration furnished the district, for maintenance projects involving contractor services to preserve, maintain, or repair any existing building, structure, or improvement, or for constructing any new building, structure, or improvement, when the expenditures will exceed the applicable amount specified in Section 5549, shall be let to the lowest responsible bidder, after notice inviting bids, published in a newspaper in the district at least one week before the time of receiving bids. The board of directors may reject all bids and readvertise, or by a five-sevenths vote may elect to purchase the materials or supplies in the open market, or to construct the building, structure, or improvement by force account.

## CHAPTER 49

An act to add Section 965.65 to the Government Code, relating to claims against the State of California, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. The sum of two hundred fifty thousand dollars (\$250,000) is hereby appropriated from the General Fund to the Controller to pay the settlement of the claim of the plaintiff against the State of California in the case entitled *Bach v. State of California*, case number 67221, brought in Superior Court of the State of California for the County of Ventura. Payment of the sums specified in this section shall be in accordance with the terms of the settlement reached by the plaintiff and the State of California.

SEC. 2. Section 965.65 is added to the Government Code, to read:

965.65. Within 180 days of the effective date of any statute making a specific appropriation to pay the settlement of a claim against the State of California, which claim arose from the activities of any state agency, the agency shall report to the Attorney General concerning any action it has taken to prevent the future occurrence of circumstances similar to those upon which the claim was based, including any imposition of disciplinary action. The Attorney General shall provide a copy of the report to the Governor and to the Legislature.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay the settlement arising out of the action brought by the plaintiff, who has been rendered paraplegic, and ending the hardship to the plaintiff as quickly as possible, it is necessary that this act go into immediate effect.

## CHAPTER 50

An act to amend Sections 18206, 22005, 22454, 24005, 24454, and 24466 of the Financial Code, relating to financial institutions.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18206 of the Financial Code is amended to read:

18206. An industrial loan company shall not make a consumer loan or acquire a consumer obligation unless such loan or obligation is repayable by equal or substantially equal periodic payments during its term. This section shall not apply to a loan made to a graduate student at an accredited college or university while the student is actively pursuing a study program leading to a postbaccalaureate degree.

SEC. 2. Section 22005 of the Financial Code is amended to read:

22005. "Charges" do not include commissions received as a licensed insurance agent or broker in connection with insurance written as provided in Section 22458 or court costs, excluding attorney's fees, incurred in a suit and recovered against a debtor who defaults on his or her loan.

SEC. 3. Section 22454 of the Financial Code is amended to read:

22454. (a) Except as provided in Article 3 (commencing with Section 22480), all charges on loans made under this division shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days.

(b) The loan contract shall provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments, the first of which shall be due not less than 15 days nor more than 1 month and 15 days from the date the loan is made. This subdivision shall not apply to a loan made to a graduate student at an accredited college or university while the student is actively pursuing a study program leading to a postbaccalaureate degree.

SEC. 4. Section 24005 of the Financial Code is amended to read:

24005. "Charges" do not include commissions received as a licensed insurance agent or broker in connection with insurance written as provided in Section 24458 or court costs, excluding attorney's fees, incurred in a suit and recovered against a debtor who defaults on his or her loan.

SEC. 5. Section 24454 of the Financial Code is amended to read:

24454. (a) Except as provided in Section 24451.3 and in Article

3 (commencing with Section 24480), all charges on loans made under this division shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days.

(b) The loan contract shall provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments, the first of which shall be due not less than 15 days nor more than 1 month and 15 days from the date the loan is made. This subdivision shall not apply to a loan made to a graduate student at an accredited college or university while the student is actively pursuing a study program leading to a postbaccalaureate degree.

SEC. 6. Section 24466 of the Financial Code is amended to read:

24466. No licensee shall take a deed of trust, mortgage or lien upon real property as security for any loan of a principal amount of less than five thousand dollars (\$5,000) made under this division, except such lien as is created by law upon the recording of an abstract of judgment. A loan that is secured by a lien on real property may not be secured by a lien on personal property as well, with the exception of:

- (a) A lien on a mobilehome located upon the real property.
- (b) An assignment of rents in a mortgage or deed of trust.

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## CHAPTER 51

An act to amend Sections 712 and 713 of the Civil Code, relating to real property.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 712 of the Civil Code is amended to read:

712. Every provision contained in or otherwise affecting a grant of a fee interest in, or purchase money security instrument upon, real property in this state heretofore or hereafter made, which purports to prohibit or restrict the right of the grantee or his or her agent to display or have displayed on the property a sign which is of reasonable dimensions and design advertising the property for sale, lease, or exchange by the grantee or his or her agent is void as an unreasonable restraint upon the power of alienation.

This section shall operate retrospectively, as well as prospectively, to the full extent that it may constitutionally operate retrospectively.

A sign which conforms to the ordinance adopted in conformity with Section 713 shall be deemed to be of reasonable dimension and

design pursuant to this section.

SEC. 2. Section 713 of the Civil Code is amended to read:

713. Notwithstanding any provision of any ordinance, an owner of real property or his or her agent may display or have displayed on the owner's property a sign of reasonable dimensions and design, as determined by the city or county, advertising:

- (a) That the property is for sale, lease, or exchange by the owner or his or her agent;
- (b) The owner's or agent's name; and
- (c) The owner's or agent's address and telephone number.

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## CHAPTER 52

An act to amend Sections 8313 and 8333 of the Streets and Highways Code, relating to vacation of streets, highways, and public service easements.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8313 of the Streets and Highways Code is amended to read:

8313. (a) If the proposed vacation of a street, highway, or public service easement is within an area for which a general or master plan is adopted by a local agency, the legislative body of the public entity shall consider the general or master plan prior to vacating the street, highway, or public service easement.

(b) The procedure prescribed in Section 65402 of the Government Code shall be followed if that section applies to the proposed vacation. If Section 65402 of the Government Code does not apply to the proposed vacation, the legislative body may submit the proposed vacation to the local planning commission or planning agency and give the commission or agency an opportunity to report upon the proposed vacation.

SEC. 2. Section 8333 of the Streets and Highways Code is amended to read:

8333. The legislative body of a local agency may summarily vacate a public service easement in any of the following cases:

(a) The easement has not been used for the purpose for which it was dedicated or acquired for five consecutive years immediately preceding the proposed vacation.

(b) The date of dedication or acquisition is less than five years, and more than one year, immediately preceding the proposed vacation, and the easement was not used continuously since that date.

(c) The easement has been superseded by relocation and there are no other public facilities located within the easement.



## CHAPTER 53

An act relating to local government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. (a) Notwithstanding the provisions of Sections 54902 and 54903 of the Government Code, the incorporation of the City of La Quinta at the general election of April 6, 1982, shall be effective for purposes of the allocation of property tax revenues pursuant to Sections 96 through 99 of the Revenue and Taxation Code for the 1982-83 fiscal year if the statement and map or plat required by Section 54900 of the Government Code were filed on or before July 1, 1982; provided, however, that since the County of Riverside has provided municipal services to the city for the first six months of the fiscal year, the allocation of property tax revenues to the city for the 1982-83 fiscal year shall be in an amount equal to one-half the amount which it would otherwise be entitled to receive.

(b) Out of the property tax revenues which the county would otherwise allocate to the City of La Quinta for the 1982-83 fiscal year by reason of the enactment of subdivision (a), the county shall retain an amount sufficient to reimburse itself for its administrative costs incurred by reason of that subdivision.

SEC. 2. Notwithstanding the provisions of Sections 54902 and 54903 of the Government Code, the boundary changes approved by the voters at the election held in November 1982 for the transfer of territory (commonly referred to as the South Rossmoor area) in Contra Costa County from the San Ramon Valley Unified School District to the Walnut Creek School District and the Acalanes Union High School District shall be effective for purposes of the allocation of property tax revenues and for the imposition of property taxes for the 1983-84 fiscal year if the statement and map or plat required by Section 54900 of the Government Code are filed before July 1, 1983.

SEC. 3. (a) The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstance of the City of La Quinta, which was incorporated on May 1, 1982. The Legislature finds, therefore, that this special act is necessary. The city was unable to file the statement and map or plat required by Section 54900 of the Government Code by January 1, 1982, as required by Section 54902 of that code in order to receive an allocation of property tax revenues for the 1982-83 fiscal year. The further unique circumstance in this case is that the County of Riverside provided services to the City of La Quinta for the first half of the 1982-83 fiscal year.

(b) In addition, all requirements for boundary changes made last November, except for filing the necessary documents with the State Board of Equalization, are complete for the transfer of territory from the San Ramon Valley Unified School District to the Walnut Creek School District and Acalanes Union High School District. This special act is necessary to rectify that situation and to enable residents of the territory transferred to be served by the proper school districts and to pay proper local property taxes.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the newly incorporated City of La Quinta to obtain funds to operate for the second half of the 1982-83 fiscal year and for the territory transfer from the San Ramon Valley Unified School District to the Walnut Creek School District and the Acalanes Union High School District to be effective for the 1983-84 fiscal year, it is necessary for this act to take effect immediately.

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## CHAPTER 54

An act to add Section 2410.5 to the Vehicle Code, relating to traffic control, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 1983. Filed with  
Secretary of State May 27, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2410.5 is added to the Vehicle Code, to read:

2410.5. (a) The department may contract with a person or governmental entity that is conducting a special event which will impose extraordinary traffic control requirements at and near the site of the special event to provide supplemental patrol services to coordinate and direct traffic at and near the special event site. A contract entered into pursuant to this section shall include provisions for reimbursement to the department, and may include a requirement for the posting of a bond, for the cost of providing the supplemental patrol services, as determined by the commissioner.

(b) The patrol services, if any, provided under this section shall be rendered by officers of the department.

(c) Contract patrol services authorized under this section shall not reduce the normal and regular services of the department.

(d) Any contract fees received by the department pursuant to a contract under this section shall be deposited in the Motor Vehicle Account in the State Transportation Fund.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the Department of the California Highway Patrol and local law enforcement agencies to contract with persons or governmental entities conducting a special event which will impose extraordinary traffic control requirements to provide supplemental patrol services to ensure public safety at or near the special event site, and to provide reimbursement to the department and local law enforcement agencies for the costs of providing those supplemental traffic patrol services as soon as possible, it is necessary that this act take effect immediately.

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## CHAPTER 55

An act to amend Section 31032.10 of the Water Code, relating to county water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1983. Filed with  
Secretary of State May 31, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 31032.10 of the Water Code is amended to read:

31032.10. (a) Notwithstanding any other provision of this division, the Yorba Linda County Water District may fix, in each fiscal year, within Improvement District No. 2 of the district, water standby or availability assessments of not to exceed two hundred fifty dollars (\$250) per year for (1) each acre or portion thereof or, in the alternative, (2) each residential unit, or the equivalent thereof as to property designated for other than residential purposes, not to exceed the maximum number of residential units or the equivalent thereof established in the General Plan for the property within Improvement District No. 2 adopted by the City of Yorba Linda on June 1, 1981, regardless of any amendment or revision of the General Plan, whether or not residential unit or the equivalent thereof is actually constructed and whether the water is actually used or not. The Board of Directors of the Yorba Linda County Water District shall establish schedules varying the assessment according to the land uses and the degree of availability or quantity of use of the water to

the affected lands within Improvement District No. 2. If the assessment is to be collected on the basis of units, the written consent of the owner of the property to be assessed on the basis of units shall be obtained.

(b) The Yorba Linda County Water District may elect to have the assessments authorized by subdivision (a) for the fiscal year collected on the tax roll in the same manner, by the same persons, and at the same time as, and together with and not separately from, county taxes. In that event, the district shall prepare a written report which shall be filed with the secretary. The report shall contain a description of each parcel of real property and the amount of the assessment for each parcel for the year. If the assessment is to be assessed on a residential unit or equivalent basis as described in subdivision (a), the assessment for each assessor's parcel shall be determined by multiplying the estimated number of residential units or the equivalent thereof proposed at that time for the assessor's parcel by the proposed amount per residential unit as shown in the assessor's parcels in Improvement District No. 2 for the particular fiscal year.

(c) The water standby or availability assessment authorized by this section shall not be imposed on any subdivided parcel upon which there exists a residential unit which has been connected to domestic water facilities of the Yorba Linda County Water District.

(d) The procedures set forth in Sections 31032.2 to 31032.9, inclusive, shall apply to any assessments imposed pursuant to subdivision (a).

(e) This section shall have no force or effect after January 1, 1989, except to the extent necessary to raise funds for interest or principal payments on bonds of Improvement District No. 2 issued prior to such date.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of unique and special water management problems within Improvement District No. 2 of the Yorba Linda County Water District which are not common to other districts organized pursuant to the County Water District Law. The adoption of Article XIII A of the California Constitution has created a situation where the assessed value of undeveloped land remains relatively constant if ownership is stable, but assessed value increases dramatically if the property is improved and sold. Consequently, the properties initially developed in the large and previously undeveloped improvement district will bear a disproportionate share of property taxes levied to pay the interest and redemption charges on general obligation bonded indebtedness incurred within the improvement district. This act is necessary to permit the burden of financing vital water facilities in the partially undeveloped improvement district to be more equitably allocated to all properties benefiting from the availability of a water system.

SEC 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit the equitable financing of vital water development facilities within the Yorba Linda County Water District at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 56

An act to amend Section 12689 of the Health and Safety Code, relating to fireworks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1983. Filed with  
Secretary of State May 31, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1 Section 12689 of the Health and Safety Code is amended to read:

12689. (a) It is unlawful for any person to sell, give, or deliver any dangerous fireworks to any person under 18 years of age.

(b) It is unlawful for any person who is a retailer to sell or transfer any safe and sane fireworks to a person who is under 16 years of age.

(c) Except as otherwise provided in subdivision (d), it is unlawful for any person who is a retailer to sell or transfer to a person under the age of 18 any rocket, rocket propelled projectile launcher, or similar device containing any explosive or incendiary material whether or not the device is designed for emergency or distance signaling purposes. It is also unlawful for a minor to possess such a device unless he or she has the written permission of, or is accompanied by, his or her parent or guardian while it is in his or her possession.

(d) Model rocket products including model rockets, launch systems, and model rocket motors designed, sold, and used for the purpose of propelling recoverable model rockets may be sold or transferred pursuant to regulations, adopted by the State Fire Marshal which the Fire Marshal determines are reasonably necessary to carry out the requirements of this part.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to exclude model rocket projects, which were inadvertently included in restrictions under Chapter 594 of the Statutes of 1982, as soon as possible, it is necessary that this act take

effect as soon as possible.

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## CHAPTER 57

An act to add Chapter 2.2 (commencing with Section 35520) to Part 5 of Division 13 of the Water Code, relating to water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1983. Filed with  
Secretary of State May 31, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 2.2 (commencing with Section 35520) is added to Part 5 of Division 13 of the Water Code, to read:

### CHAPTER 2.2. PROVISIONS PERTAINING ONLY TO THE LOST HILLS WATER DISTRICT

35520. The provisions of this chapter shall apply only to the Lost Hills Water District. The powers provided in this chapter shall be in addition to any existing powers the district may have in relation to drainage and disposal of drain water.

35520.1. A district may acquire, construct, operate, and furnish facilities for the control of waters to protect, maintain, and enhance the quality of lands within the district, including drainage, disposal of drainage water and water of deleterious quality, and conservation and beneficial use of flood, storm, and other waste waters occurring on the lands.

35520.2. If a district determines to exercise the powers granted by this chapter, the district shall prepare and adopt a plan of works and an estimate of the amount of money necessary to be raised for the implementation of the plan of works. The estimate shall include contingencies, bond issuing expenses, provision for a reserve for bond discount not in excess of 10 percent of the total amount of the assessment, provision for a bond reserve not in excess of 15 percent of the total amount of the assessment, all expenses estimated to be incurred in complying with the procedures required by this chapter, cost of acquisition of land and rights of way, construction costs, provision for inflation, and all other costs properly chargeable to the plan.

35520.3. In order to carry out the powers and purposes granted under this chapter, a district may exercise or use any of the powers or procedures otherwise granted to a district under this division to the extent the powers or procedures may be made applicable.

35520.4. The powers or procedures referred to in Section 35520.3 includes, but are not limited to, the following:

(a) Bonds issued pursuant to Chapter 2 (commencing with

Section 35950), Chapter 3 (commencing with Section 36150), and Chapter 4 (commencing with Section 36300) of Part 6.

(b) Warrants issued pursuant to Chapter 4.5 (commencing with Section 36400) of Part 6.

(c) The formation of improvement districts and bonds therefor pursuant to Chapter 4.9 (commencing with Section 36410) and Chapter 5 (commencing with Section 36450) of Part 6.

(d) The acquisition of property pursuant to Article 1 (commencing with Section 35600) of Chapter 3.

(e) Contracts with other agencies pursuant to Chapter 5 (commencing with Section 35850).

35520.5. The powers and procedures referred to in Section 35520.3 shall include all powers or procedures necessary, useful, or desirable to carry out the powers and purposes of this chapter.

35520.6. Notwithstanding any other provision of this division, the board may determine to issue bonds secured by benefit assessments, in which event the board shall define and determine a drainage service area which may be the entire district or any lesser portion thereof that will be benefited by the project.

The service area shall be designated "Drainage Service Area No. \_\_\_\_\_ of \_\_\_\_\_ Water District." The service area may be subdivided by the board into separate zones or subareas that benefit solely from separate components of the total project.

35520.7. When the board has determined to issue bonds secured by benefit assessments, it shall, by resolution, employ a civil engineer, who shall have no interest, directly or indirectly, in any land in the district, to apportion the cost of the plan, to which shall be added the compensation to be paid the engineer, in accordance with benefit to each tract of land within the service area held in separate ownership.

35520.8. Upon completion of the apportionment of costs, the engineer shall prepare and certify to the board an assessment roll which shall contain all of the following:

(a) A description of the service area to be benefited by the plan and of any zones or subareas into which the service area has been divided.

(b) A description of each tract held in separate ownership by legal subdivision, governmental survey, or other boundary sufficient to identify it. If any area composed of more than one tract held in separate ownership is not assessed because the lands therein will not be benefited by the expenditure of the funds to be raised by the assessment, a description of the area as a whole without a description of each tract is sufficient.

(c) The number of acres in each tract.

(d) The name and address of the owner of each tract, if known, and if unknown, that fact. No mistake or error in the name of the owner of the property assessed and no mistake in any other particular shall render the assessment invalid.

(e) The rate per acre of the assessment upon each tract assessed,

or if no assessment is made upon any tract or area composed of more than one tract, a statement of that fact.

(f) The total amount of the assessment as computed.

35520.9. When completed, the roll, which shall be accompanied by the written report of the engineer setting out with particularity the exact nature and quantum of the benefits assessed, apportioned, and allocated to each tract of land in the service area with respect to each separable component of the proposed project, shall be certified by the engineer and filed with the board.

35520.10. The board shall file a copy of the roll and report in its records and forthwith give notice of the filing of the report and assessment roll by publication at least once a week for two successive weeks in a newspaper of general circulation published in each affected county, and by mailing copies of the notice to each affected landowner, as shown on the last equalized assessment book of the district or as is otherwise known to the district, stating therein the time and place of a special meeting which shall be not less than 15 days after the completion of publication and mailing at which meeting all interested persons, including all persons owning land in the district or in the affected drainage service area, may appear and be heard concerning any matter set forth in the roll and report.

35520.11. If no objections are presented to the board with respect to a particular assessment at the time and place noticed, the secretary shall execute a certificate in which the secretary shall certify that no objections were so presented and the assessment roll and certificate shall be filed in the district records.

35520.12. The board may continue the hearing on objections to assessments from time to time.

35520.13. At the hearing, the board shall hear any evidence that may be offered on the correctness of the assessment and may modify, amend, or approve the assessment in any particular and may reapportion the whole or any part of it.

35520.14. After the hearing of objections, the board shall, by resolution, approve the assessment as finally fixed or modified. A certified copy of the assessment roll as finally fixed shall be filed in the district records.

35520.15. When the secretary files the certificate as provided in Section 35520.11 or, if objections are raised, when the board approves the assessment as finally fixed as provided in Section 35520.14, the board shall call a special district election at which there shall be submitted to the electors of the district the question of whether or not the board shall be authorized to issue bonds secured by the benefit assessment roll, which election shall be held and conducted in the manner set forth in Section 35520.16. At the election, the ballots shall contain the words "Benefit Assessment Bonds - Yes" and "Benefit Assessment Bonds - No" or words equivalent thereto.

35520.16. The election required by Section 35520.15 shall be called, noticed, and held in the manner provided for bond elections by Chapter 2 (commencing with Section 35100) and Chapter 3



(commencing with Section 35150) of Part 4, except as follows:

(a) The election shall be held on any Tuesday designated by the board which is not an election day designated in Section 2500 of the Elections Code and is not a state holiday or the day before or the day after a state holiday.

(b) Notwithstanding Section 35152.6, unless the voting procedure of the district has been changed from a landowner voting district to a resident voting district pursuant to Article 3 (commencing with Section 35040) of Chapter 1 of Part 4, the qualified voters at the election shall be determined according to Article 1 (commencing with Section 35003) of Chapter 1 of Part 4.

35520.17. The board may advance general funds of the district to pay all costs and expenses incurred in preparation of the plan of works and estimate of cost provided for by Section 35520.2, in the preparation of the assessment roll and report provided for by Sections 35520.7 and 35520.8, in noticing and calling the hearing required by Section 35520.10, and in calling, noticing, and holding the election provided by Section 35520.15. The advances shall be repaid to the general funds of the district with the proceeds of the call provided for in Section 35520.18 or from the proceeds of sale of the first division of bonds called for sale pursuant to Section 35520.24.

35520.18. If more than one-third of the votes cast are for "Benefit Assessment Bonds - No," the board shall, by resolution, abandon the project, make a call upon the assessment roll, certified as provided for by Section 35520.11 or as finally fixed as provided for by Section 35520.14, sufficient to pay all costs and expenses incurred in preparation of the plan of works and estimate of cost provided for by Section 35520.2, in the preparation of the assessment roll and report provided for by Sections 35520.7 and 35520.8, in noticing and holding the hearing required by Section 35520.10, and in calling, noticing, and holding the election provided for by Section 35520.15 and, thereafter, cancel all the assessment remaining uncalled.

35520.19. If two-thirds or more of the votes are cast for "Benefit Assessment Bonds - Yes," the board shall transmit a certified copy of the roll to the district tax collector. The charges assessed by the roll as certified as provided for by Section 35520.11, or as finally fixed as provided for by Section 35520.14, shall, upon recordation of a notice in each affected county in the manner specified in Section 3114 of the Streets and Highways Code, constitute a lien upon the land in each county which is prior to all other liens except city, county, and special district assessments or ad valorem taxes levied or assessed by or under statutory authority. The notice recorded pursuant to this section shall expressly provide that the lien is prior to all other liens except city, county, and special district assessments or ad valorem taxes.

35520.20. The assessment roll as approved by the board shall be conclusive evidence before any court or body that the assessment has been made and levied according to law.

35520.21. All unpaid assessments shall bear interest at the rate of

12 percent per annum. Interest shall commence to run 30 days after the board has adopted a resolution calling for the sale of bonds secured by the assessment.

35520.22. The assessment list shall remain open for payment of any unpaid balance of the assessment thereon at the office of the district tax collector until such time as the board adopts a resolution calling for the sale of bonds secured by the assessment.

35520.23. Payments on assessments made to the district tax collector prior to the adoption of a resolution of the board calling for the sale of bonds secured by the assessment shall be transferred by the tax collector to the district treasurer and placed in the construction fund.

35520.24. Any time after the filing of the assessment roll as provided in Section 35520.19, the board may, by resolution, call for the sale of bonds secured by the assessment. The form and substance of the bonds and the sale thereof shall be governed by Sections 35520.35 and 35520.36. The total par value of bonds sold against any benefit assessment shall not exceed the total assessment less any collections against the assessment made prior to the first adoption of a resolution for sale of bonds secured by the assessment.

35520.25. Collection of assessments levied and called by the board shall be made by the district tax collector.

35520.26. Concurrently with the making of the annual estimate to be filed with the board of supervisors pursuant to Section 36552, the board shall designate and determine, by resolution, the percentage of any assessment previously levied that shall be called and collected. The interest due on unpaid assessments may be called without calling any installment of the assessment.

A certified copy of the call resolution shall be published once a week for three successive weeks in a newspaper of general circulation published in the principal county, commencing no more than 20 days following the adoption of the call resolution. The secretary, concurrently with the first publication of a certified copy of the call resolution, shall deliver certified copies thereof, one to the district assessor, one to the district tax collector, and one to the district treasurer.

35520.27. The district assessor, upon receipt of the assessment call resolution from the secretary, shall compute the amount to be collected from each parcel of land in separate ownership in the service area established pursuant to Section 35520.6 and shall enter in a separate space in the district's assessment book entitled "Drainage Service Area No. \_\_\_\_\_ Assessment" the sums, in dollars and cents, to be collected against the respective parcels of land.

35520.28. Assessments called pursuant to this chapter shall be collected at the same time and in the same manner as district assessments. When collected, the entire amount collected shall be transferred to the benefit assessment bond fund of the district.

35520.29. The board shall levy an amendatory assessment in the

manner provided for original assessments if any of the following occur:

(a) Any land within the drainage service area is omitted from any assessment roll.

(b) Land appears on the assessment roll but is neither assessed or stated not to be assessed.

(c) A final judgment of a court of competent jurisdiction has held that any assessment is not valid as to any part of the land assessed. This amendatory assessment shall be based upon a determination, as nearly as may be, of the amount the original assessment upon the land would have been except for the omission or invalidity.

35520.30. When any tract of land upon which any assessment has been levied is subdivided into smaller parcels, the board shall, upon its own motion or upon written application therefor signed by a landowner of record within the subdivided tract, after a hearing noticed and held in the same fashion as provided in Section 35520.10, reapportion the assessment upon the tract as will, in the judgment of the board, charge each of the smaller parcels with a just portion of the assessment. The reapportionment shall be entered in the minutes of the board and, upon entry, shall become final.

35520.31. The secretary shall file certified copies of any amendatory or reapportioned assessment with the district assessor, the district tax collector, and the district treasurer.

35520.32. Upon the inclusion of any land within a drainage service area, an assessment shall be levied upon the land so included. The amount of the assessment against each tract or parcel is to be the amount, as nearly as can be determined, of all the assessments which would have been levied against the tract or parcel had it been included in the drainage service area from the time of the original levy of the assessment.

35520.33. When a district has levied an assessment and it appears to the board that the assessment or some part thereof, together with the interest thereon, will provide an amount greater than is required to meet all obligations incurred, or to be incurred for, the purposes for which the assessment or part thereof was levied, and if no bonds secured by the assessment are outstanding, the board may, by resolution, declare its intention to cancel all or any portion of the assessment, including any interest thereon, or all or any portion of the interest.

For the purposes of this section, the term "assessment balances" means the assessment and the interest thereon, and the board, in the manner and subject to the limitations provided in this chapter, may cancel any part of the assessment balance, including all of the assessment and the interest thereon, a part of the assessment and the interest thereon, all of the interest on the assessment, or a part of the interest on the assessment.

35520.34. The board, pursuant to a resolution entered in its minutes, may distribute among the landowners of a drainage service area any funds in the treasury belonging to the service area which

were collected on an assessment on which no bonds are outstanding or collected by way of interest or penalties on the assessment or by the rental, sale, or redemption of delinquent land under the assessment and which appear to the board to be greater than required to meet all obligations incurred or to be incurred for the purposes for which the assessment was levied. The distribution to the landowners shall be made in the proportion that they were assessed on the assessment.

35520.35. All bonds issued under this chapter shall be payable in lawful money of the United States. Subject to the provisions of this chapter, the board shall prescribe the form and the manner of execution of the bonds.

An issue of bonds is hereby defined to be all of the bonds to be issued in accordance with a proposal approved by the electors of the district. Each issue of the bonds of a district shall be numbered consecutively, as authorized, and the bonds of each issue shall be numbered consecutively.

The board shall fix the date of the bonds, or may divide any issue into two or more divisions and fix different dates and different rates of interest for the bonds of the divisions. The date of any bond shall be subsequent to the election at which its issuance was authorized. The bonds shall be made payable at such times as the board prescribes, but in no case shall the maturity of any bond be more than 40 years from the date thereof. The bonds shall bear interest at a rate or rates to be fixed by the board, not exceeding 12 percent per annum, payable semiannually on the first day of January and the first day of July of each year. The principal and interest shall be payable at a place to be designated by the board and specified in each bond.

The bonds shall express on their face that they were issued under the authority of this chapter.

35520.36. The board may sell the bonds, from time to time, in such quantities as may be necessary and most advantageous to raise money to carry out the objects and purposes of this chapter.

Before making any sale, the board shall at a regular meeting, by resolution, declare its intention to sell a specified amount of the bonds and the day and hour and place of the sale and shall cause notice of the sale to be given by publication of the resolution at least once a week for two successive weeks in a newspaper of general circulation published in each county in which any portion of the district is located and, at its discretion, in other newspapers. The publications shall be complete not less than 10 days prior to the date of sale. The notice shall state that sealed proposals will be received for the purchase of the bonds until the day and hour named in the resolution.

The board shall award the purchase of the bonds to the highest responsible bidder. However, the board may reject all bids. The board shall, in no event, sell any of the bonds for less than 90 percent of the par value thereof.

35520.37. All bonds of the same issue shall be equally and ratably

secured without priority by reason of number, date of bonds, date of sale, date of execution, or date of delivery by the lien of the benefit assessment roll recorded pursuant to Section 35520.19.

35520.38. For the purpose of the care, operation, management, and improvement of a project or projects, including payment of salaries of officers and employees and all other expenses, and for the payment of principal of and interest on any bonds issued under this chapter, the board may, in lieu, either in part or in whole, of calling assessments as provided for in this chapter, fix rates of tolls and charges for drainage facilities or available drainage facilities and other services rendered by the district and collect the tolls and charges from all persons receiving the benefit of the drainage facilities or other services. The tolls and charges shall be proportional as nearly as possible to the services rendered.

35520.39. Whenever any tolls or charges for the use of drainage facilities or for other services rendered by the district provided for in this chapter have been fixed by the board, they may be made payable in advance.

35520.40. In case any tolls or charges remain unpaid for a period of 30 days after they become payable, they shall become delinquent and a penalty of 10 percent shall be added thereto, and they bear interest at the rate of 1 percent per month or fraction thereof.

35520.41. After any toll or charge becomes delinquent, the board may, by resolution, direct the assessor to add to the assessment of the parcel of land to which it relates all delinquent tolls and charges, penalties, and interest thereon.

35520.42. In addition to and as an alternative to all other powers contained in this chapter with respect to provision of funds for the purpose of the care, operation, management, and improvement of a project or projects undertaken under the authority of this chapter, including the payment of salaries of officers and employees and all other expenses, and for the payment of principal of and interest on any bonds issued under this chapter, zones may be established within the drainage service area for the purpose of fixing rates of assessment in accordance with the extent of benefits derived, or to be derived, by each zone from services to the land in each zone arising from the service area's plan of works or any separately identifiable part thereof.

35520.43. No zone shall be established or varying rates of assessment fixed under Section 35520.42, unless the board, by resolution, declares that it intends to do so and that a public hearing will be held thereon at a specified time and place where all interested persons may appear and be heard.

Notice of the hearing shall be given by publishing a copy of the resolution in a newspaper of general circulation, published in each affected county, pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing. A copy of the resolution shall be mailed, postage prepaid, to each holder of title to land within the drainage service

area as shown upon the last equalized assessment book of the district at least 15 days prior to the time fixed for the hearing. Any error, omission, or mistake in the mailing, or any failure of any person to receive a copy, shall not invalidate the proceedings pursuant to this section.

The hearing may be adjourned from time to time at the discretion of the board, and, at its conclusion, the board shall determine the zones of benefit established, if any, the share of benefits received by each zone arising from the district's operation, expressed as a percentage, the criteria for establishing each zone, and the percentage expressed. A map of the drainage service area in such detail as to delineate the geographical area of each zone shall be a part of the resolution. The zones and the percentages may be amended from time to time or abolished in the same manner required for original adoption.

35520.44. The board annually, concurrently with the making of the estimate required by Section 36552, shall adopt a resolution setting forth an estimate of the amount of money needed for the purposes of the drainage service area for the next fiscal year. The amount shall be sufficient to raise interest accruing and principal maturing during the fiscal year on outstanding bonds of the district issued for the drainage service area, incidental expenses of the service area, and the cost of the care, operation, management, or improvement of the works of the drainage service area, or that part of the costs as the board determines is to be raised by assessment. The amount of the assessment to be borne by each zone shall be computed by multiplying the total amount to be raised by assessment by the percentage of benefits accruing to each zone as declared by the board.

In the resolution to be adopted pursuant to this section, the board shall provide for a public hearing upon the assessment to be levied and shall specify a time and place when all interested persons may appear and be heard. Notice of the hearing shall be given by publishing a copy of the resolution in a newspaper of general circulation, published in each affected county, pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing. A copy of the resolution shall be mailed, postage prepaid, to each holder of title to land within title within the drainage service area as shown upon the last equalized assessment book of the district. Any error, omission, or mistake in the mailing, or any failure of any person to receive a copy, shall not invalidate the proceedings pursuant to this section.

The hearing may be adjourned from time to time at the discretion of the board, and, at its conclusion, the board shall, by resolution, levy an assessment upon all lands within each zone sufficient to raise the amount stated in the estimate of the board as revised, if revised, at the hearing. Assessments made within each zone of benefit established pursuant to this chapter shall be levied on all lands within the zone of benefit on an acreage basis.

35520.45. The secretary shall deliver certified copies of the resolution levying the assessment pursuant to Section 35520.44, one to the district assessor, one to the district tax collector, and one to the district treasurer.

The district assessor, upon receipt of a certified copy of the resolution, shall compute the amount to be collected from each parcel of land in separate ownership in the affected drainage service area and shall enter in a separate space in the district's assessment book entitled "Drainage Service Area No. \_\_\_\_\_ Annual Assessment," the sums, in dollars and cents, to be collected against the respective parcels of land.

35520.46. Proceeds from assessments levied pursuant to this chapter may be used to pay any lawful obligation of the district incurred in the care, operation, or management of the works of the district for the drainage service area for which the assessment is levied.

SEC. 2. Perched saline water conditions are increasing at extremely rapid rates in the Lost Hills Water District. This bill would provide the necessary authority for the district to plan, finance, and construct works for the drainage and reclamation of lands affected by those perched water conditions. The district's problem is not common to other California water districts. The Legislature, therefore, finds and declares that a special law is necessary with respect to the Lost Hills Water District, that the provisions of this act are needed to meet the special circumstances within the district, and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Perched saline water conditions are increasing at extremely rapid rates in the Lost Hills Water District, a California water district, making hundreds of acres of land in the district incapable of being used for the growth of crops and threatening to destroy thousands of additional acres of land, unless immediate steps are taken to plan, finance, and construct works for the drainage and reclamation of lands affected by those perched saline water conditions. The existing powers of California water districts do not provide necessary authority to plan, finance, construct, and operate the necessary works to achieve these purposes in the manner specified in this act. The formation of new districts, under existing law, to perform the powers granted in this act to the Lost Hills Water District would exacerbate the proliferation of special districts in Kern County. In order, therefore, to authorize the drainage and reclamation of these lands at the earliest possible time, it is necessary that this act take effect immediately.

## CHAPTER 58

An act to amend Sections 22054, 22054.1, 22409, 22450.1, 22452, 22454, 22470, 24053, 24054, 24409, 24450.1, 24452, 24454, 24470, and 26054.1 of, to add Sections 22053.1, 24053.1, and 24054.1 to, and to repeal Sections 22057, 24057, and 26057 of, the Financial Code, relating to loans.

[Approved by Governor May 31, 1983. Filed with  
Secretary of State June 1, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 22053.1 is added to the Financial Code, to read:

22053.1. The following sections do not apply to any noncommercial loan of a bona fide principal amount of five thousand dollars (\$5,000) or more, or to a duly licensed personal property broker in connection with any such loan or loans, if the provisions of this section are not used for the purpose of evading this division: Sections 22004, 22005, 22450, 22451, 22451.1, 22452, 22453, 22455, 22459, 22460, 22462, 22463, 22464, and 22651.

SEC. 2. Section 22054 of the Financial Code is amended to read:

22054. In determining under Section 22053 whether a loan is a loan of a bona fide principal amount of ten thousand dollars (\$10,000) or more and whether the provisions of that section are used for the purpose of evading this division, the following principles apply:

(a) If a borrower applies for a loan in a principal amount of less than ten thousand dollars (\$10,000) and a loan to that borrower of a principal amount of ten thousand dollars (\$10,000) or more is made by a licensed personal property broker, no adequate economic reason for the increase in the size of the loan exists, and by prearrangement or understanding between the borrower and the licensee a substantial payment is to be made upon the loan with the effect of reducing the principal amount of the loan to less than ten thousand dollars (\$10,000) within a short time after the making of the loan other than by reason of a requirement that the loan be paid in substantially equal periodical installments, then the loan shall not be deemed to be a loan of the bona fide principal amount of ten thousand dollars (\$10,000) or more and the provisions of Section 22053 shall be deemed to be used for the purpose of evading this division unless the loan complies with the provisions of this division relating to loans of less than ten thousand dollars (\$10,000).

(b) An individual advance of money of less than ten thousand dollars (\$10,000) pursuant to a revolving or open end loan agreement or similar agreement between a borrower and a licensed personal property broker which gives the borrower the right to draw upon all or any part of the line of credit, or a loan agreement providing for the making of advances to the borrower from time to time up to an



aggregate maximum amount which gives the borrower the right to draw all or any part of the total amount, shall be deemed to be a loan of a principal amount of ten thousand dollars (\$10,000) or more if the line of credit or the aggregate maximum amount, is ten thousand dollars (\$10,000) or more and the initial advance was ten thousand dollars (\$10,000) or more even though the actual unpaid balance after the advance or at any other time is less than ten thousand dollars (\$10,000).

(c) If a loan made by a licensed personal property broker is in a principal amount of ten thousand dollars (\$10,000) or more, the fact that the transaction is in the form of a sale of accounts, chattel paper, contract rights, goods or instruments or a lease of goods or in the form of an advance on the purchase price of any of the foregoing shall not be deemed to affect the loan or the bona fides of the amount thereof or to indicate that the provisions of Section 22053 are used for the purpose of evading this division.

SEC. 3. Section 22054.1 of the Financial Code is amended to read:

22054.1. In determining under Section 22053 or 22053.1 whether a loan is a commercial loan or a noncommercial loan, respectively, of a bona fide principal amount of five thousand dollars (\$5,000) or more and whether the provisions of either section are used for the purpose of evading this division, the following principles apply:

(a) If a borrower applies for a loan in a principal amount of less than five thousand dollars (\$5,000), and a loan to that borrower of a principal amount of five thousand dollars (\$5,000) or more is made by a licensed personal property broker, no adequate economic reason for the increase in the size of the loan exists, and by prearrangement or understanding between the borrower and the licensee a substantial payment is to be made upon the loan with the effect of reducing the principal amount of the loan to less than five thousand dollars (\$5,000) within a short time after the making of the loan other than by reason of the requirement that the loan be paid in substantially equal periodic installments, then the loan shall not be deemed to be a commercial loan or a noncommercial loan of a bona fide principal amount of five thousand dollars (\$5,000) or more and the provisions of Section 22053 or 22053.1, respectively, shall be deemed to be used for the purpose of evading this division unless the loan complies with the provisions of this division relating to commercial or noncommercial loans of less than five thousand dollars (\$5,000).

(b) A subsequent advance of money of less than five thousand dollars (\$5,000) pursuant to a revolving or open end loan agreement or similar agreement between a borrower and a licensee which gives the borrower the right to draw upon all or any part of the line of credit, or a loan agreement providing for the making of advances to the borrower from time to time up to an aggregate maximum amount which gives the borrower the right to draw all or any part of the total amount, shall be deemed to be a commercial or noncommercial loan of a bona fide principal amount of five thousand

dollars (\$5,000) or more if the line of credit or the aggregate maximum amount, is five thousand dollars (\$5,000) or more and the initial advance was five thousand dollars (\$5,000) or more even though the actual unpaid balance after the advance or at any other time is less than five thousand dollars (\$5,000).

(c) If a loan made by a licensee is in a principal amount of five thousand dollars (\$5,000) or more, the fact that the transaction is in the form of a sale of accounts, chattel paper, contract rights, goods or instruments or a lease of goods or in the form of an advance on the purchase price of any of the foregoing shall not be deemed to affect the loan or the bona fides of the amount thereof or to indicate that the provisions of Section 22053 or 22053.1 are used for the purpose of evading this division.

SEC. 4. Section 22057 of the Financial Code is repealed.

SEC. 5. Section 22409 of the Financial Code is amended to read:

22409. The commissioner shall require that information pertaining to loans be stated separately in the annual report as follows:

(a) For loans of a principal amount of less than five thousand dollars (\$5,000).

(b) For loans of five thousand dollars (\$5,000) or more and any other business.

(c) The commissioner may permit information pertaining to expenses in the annual report to be reported in totals by categories without separation as to types of loans, and may make such other rules from time to time as may be necessary to obtain adequate information pertaining to the licensee.

The report shall be made under oath and in the form prescribed by the commissioner.

SEC. 6. Section 22450.1 of the Financial Code is amended to read:

22450.1. (a) No licensee shall directly or indirectly charge, contract for, or receive any interest or charge of any nature with respect to a noncommercial loan of five thousand dollars (\$5,000) or more unless the loan is made.

(b) Notwithstanding subdivision (a), whenever a noncommercial loan of five thousand dollars (\$5,000) or more is not consummated because of the borrower's failure to disclose outstanding liens or other information essential to making the loan or solely because of the borrower's failure to complete the loan in accordance with the loan application, a licensee may charge, contract for, and receive an amount equal to the actual expenses incurred by the licensee in connection with the preparation for the loan.

(c) The provisions of this section shall not apply to a commercial loan as defined in Section 22011.

SEC. 7. Section 22452 of the Financial Code is amended to read:

22452. (a) As used in this division, "open end loan" means a loan or loans made by a licensee pursuant to a loan agreement which expressly states that it is made pursuant to this section and pursuant to which:

(1) The licensee may permit the borrower to obtain advances of money from the licensee from time to time or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower.

(2) The amount of each advance and the charges and other permitted costs are debited to an account.

(3) The charges are computed from time to time on the unpaid balances of the borrower's account, excluding from the computation any unpaid charges other than permitted fees, costs and expenses.

(4) The borrower has the privilege of paying the account in full at any time or in monthly installments.

(b) Subject to the written approval of the commissioner of the licensee's plan of business for making open end loans as not being misleading or deceptive and subject to regulations the commissioner may promulgate with respect to open end loans under Section 22400, a licensee may make open end loans pursuant to this section and may contract for and receive thereon charges as set forth in Sections 22451, 22451.1, and 22454.1. These charges may be calculated on an amount not exceeding the greater of:

(1) The actual daily unpaid balances of the open end account in the billing cycle for which the charge is made, in which case one-thirtieth of the monthly rate may be charged for each day the unpaid balance is outstanding.

(2) The average daily unpaid balance of the open end account in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to any balance unpaid as of the beginning of that day all advances and other debits and deducting all payments and other credits made or received as of that day.

The billing cycle shall be monthly. A billing cycle is monthly if the closing date of the cycle is the same date each month or does not vary by more than four days from the regular date.

(c) No licensee shall enter into any agreement for an open end consumer loan that provides for a minimum monthly payment that would result in the full repayment of principal over more than the maximum periods set forth below opposite the respective size of loans.

<i>Principal amount of loan</i>	<i>Maximum period</i>
Less than \$1,500 .....	24 months and 15 days
\$1,500 but less than \$2,500 .....	36 months and 15 days
\$2,500 but less than \$4,000 .....	48 months and 15 days
\$4,000 but less than \$5,000 .....	60 months and 15 days

The minimum payment shall be determined by the amount of the initial loan advance and shall continue at that amount until a subsequent loan advance is made, at which time the minimum payment shall be determined by the amount of the unpaid balance

of the loan after the advance and including the advance. Minimum payments after each advance shall be determined in the same manner.

(d) On open end loans the licensee may contract for and receive the fees, costs and expenses permitted on other loans, including those permitted by subdivisions (a), (b), (c), and (d) of Section 22458 and subdivision (d) of Section 22458.1, except that the charge for credit life insurance under Section 22458.1 shall be on a monthly basis and shall be actuarially consistent with the single premium rate for the same coverage approved or fixed by the Insurance Commissioner under Section 22458.1, or in accordance with a schedule of monthly rates filed with and not disapproved by the Insurance Commissioner.

(e) A licensee may not take real property as security, in whole or in part, for an open end loan under this section.

(f) Sections 22454 and 22455 shall apply to open end loans with the following variations:

(1) To comply with Section 22454, the loan contract shall provide for payment of minimum payments complying with subdivision (c).

(2) To comply with Section 22455, the licensee shall deliver to or at the direction of the borrower at the time of each loan advance an amount equal to the face value of the advance.

(g) In lieu of subdivision (a) of Section 22458.1, Section 22468, and subdivision (a) of Section 22473, the following provisions shall apply to open end loans:

(1) A licensee may provide insurance on the life of one or more borrowers, with his or her consent, the form to be approved by the Insurance Commissioner, and in an amount not in excess of the amount of the indebtedness. If life insurance is provided, and if the insured dies when there is an outstanding open end loan indebtedness, the insurance shall be sufficient to pay the total amount due on the loan outstanding on the date of his or her death without any exception, reservation or limitation. Any life insurance as is provided shall be in force as soon as the loan is made or coverage is agreed upon, whichever is later. No credit life insurance written in connection with an open end loan shall be canceled by the lender because of delinquency of the borrower in the making of the minimum payments thereon unless one or more of the payments is past due for a period of 90 days or more, and the lender shall advance to the insurer the amounts required to keep the insurance in force during that period, which amounts may be debited to the borrower's account.

(2) The open end loan agreement shall contain the name, address, and license number of the personal property broker and shall disclose the nature of the security taken, the method of determining the minimum payments which will be required to repay the initial advance and any subsequent advances on the loan, and the agreed rate of charge.

(3) Except in the case of an account which the licensee deems to be uncollectible, or with respect to which delinquency collection

procedures have been instituted, the licensee shall deliver or cause to be delivered to the borrower, or any one thereof, for each billing cycle at the end of which there is an outstanding balance in the account or with respect to which a finance charge is imposed, a statement setting forth the outstanding balance in the account at the beginning of the billing cycle, the date and amount of any subsequent loan advance during the period, the amounts and dates of crediting to the account during the billing cycle for payments, the amount of any finance charge debited to the account during the billing cycle, the annual percentage rate of finance charge determined under Regulation Z promulgated by the Board of Governors of the Federal Reserve System (12 C.F.R. 226 et seq.), the balance on which the finance charge was computed, the closing date of the billing cycle, the outstanding balance on that date, and the minimum monthly payment required in the absence of any additional advance. If there has been any change in the nature of the security for the loan since the next preceding advance, the statement shall contain or be accompanied by a statement of the nature of the security for the loan after such change.

(h) Subdivision (e) of Section 22473 shall not apply to an open end loan with respect to which there is no balance outstanding if the open end loan agreement continues in effect.

(i) Section 22480 shall not apply to open end loans.

(j) Nothing in this section may be construed to limit the authority of the commissioner to disapprove advertising with respect to open end loans pursuant to Section 22414.

(k) This section shall not apply to loans other than open end loans.

SEC. 8. Section 22454 of the Financial Code is amended to read:

22454. Except as provided in Article 3 (commencing with Section 22480), all charges on loans made under this division shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days. The loan contract shall provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments, the first of which shall be due not less than 15 days nor more than 1 month and 15 days from the date the loan is made.

This section shall not apply to open end loans.

SEC. 9. Section 22470 of the Financial Code is amended to read:

22470. No licensee shall enter into any contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set forth below opposite the respective size of loans.

Principal amount of loan	Maximum term
Less than \$1,500.....	24 months and 15 days
\$1,500 but less than \$2,500 ..	36 months and 15 days

\$2,500 but less than \$4,000 ..	48 months and 15 days
\$4,000 but less than \$6,000 ..	60 months and 15 days
\$6,000 but less than \$10,000	84 months and 15 days

This section shall not apply to open end loans.

SEC. 10. Section 24053 of the Financial Code is amended to read:

24053. The following sections do not apply to any loan of a bona fide principal amount of ten thousand dollars (\$10,000) or more, or to a duly licensed consumer finance lender in connection with any such loan or loans, if the provisions of this section are not used for the purpose of evading this division: Sections 24404, 24405, 24454, 24458, 24458.1, 24458.2, 24470, 24480, and 24652.

SEC. 11. Section 24053.1 is added to the Financial Code, to read:

24053.1. The following sections do not apply to any loan of a bona fide principal amount of five thousand dollars (\$5,000) or more, or to a duly licensed consumer finance lender in connection with any such loan or loans, if the provisions of this section are not used for the purpose of evading this division: Sections 24004, 24005, 24450, 24451, 24451.1, 24452, 24453, 24455, 24459, 24460, 24462, 24463, 24464, and 24651.

SEC. 12. Section 24054 of the Financial Code is amended to read:

24054. In determining under Section 24053 whether a loan is a loan of a bona fide principal amount of ten thousand dollars (\$10,000) or more and whether the provisions of that section are used for the purpose of evading this division, the following principles apply:

(a) If a borrower applies for a loan in a principal amount of less than ten thousand dollars (\$10,000) and a loan to that borrower of a principal amount of ten thousand dollars (\$10,000) or more is made by a licensed consumer finance lender, no adequate economic reason for the increase in the size of the loan exists, and by prearrangement or understanding between the borrower and the licensee a substantial payment is to be made upon the loan with the effect of reducing the principal amount of the loan to less than ten thousand dollars (\$10,000) within a short time after the making of the loan other than by reason of a requirement that the loan be paid in substantially equal periodical installments, then the loan shall not be deemed to be a loan of the bona fide principal amount of ten thousand dollars (\$10,000) or more and the provisions of Section 24053 shall be deemed to be used for the purpose of evading this division unless the loan complies with the provisions of this division relating to loans of less than ten thousand dollars (10,000).

(b) A subsequent advance of money of less than ten thousand dollars (\$10,000) pursuant to a revolving or open end loan agreement or similar agreement between a borrower and a licensed consumer finance lender which gives the borrower the right to draw upon all or any part of the line of credit, or a loan agreement providing for the making of advances to the borrower from time to time up to an aggregate maximum amount which gives the borrower the right to draw upon all or any part of the total amount, shall be deemed to be

a loan of a principal amount of ten thousand dollars (\$10,000) or more if the line of credit or the aggregate maximum amount is ten thousand dollars (\$10,000) or more and the initial advance was ten thousand dollars (\$10,000) or more even though the actual unpaid balance after the advance or at any other time is less than ten thousand dollars (\$10,000).

(c) If a loan made by a licensed consumer finance lender is in a principal amount of ten thousand dollars (\$10,000) or more, the fact that the transaction is in the form of a sale of accounts, chattel paper, contract rights, goods or instruments or a lease of goods or in the form of an advance on the purchase price of any of the foregoing shall not be deemed to affect the loan or the bona fides of the amount thereof or to indicate that the provisions of Section 24053 are used for the purpose of evading this division.

SEC. 13. Section 24054.1 is added to the Financial Code, to read:

24054.1. In determining under Section 24053.1 whether a loan is a loan of a bona fide principal amount of five thousand dollars (\$5,000) or more and whether the provisions of that section are used for the purpose of evading this division, the following principles apply:

(a) If a borrower applies for a loan in a principal amount of less than five thousand dollars (\$5,000) and a loan to that borrower of a principal amount of five thousand dollars (\$5,000) or more is made by a licensed consumer finance lender, no adequate economic reason for the increase in the size of the loan exists, and by prearrangement or understanding between the borrower and the licensee a substantial payment is to be made upon the loan with the effect of reducing the principal amount of the loan to less than five thousand dollars (\$5,000) within a short time after the making of the loan other than by reason of a requirement that the loan be paid in substantially equal periodical installments, then the loan shall not be deemed to be a loan of a bona fide principal amount of five thousand dollars (\$5,000) or more and the provisions of Section 24053.1 shall be deemed to be used for the purpose of evading this division unless the loan complies with the provisions of this division relating to loans of less than five thousand dollars (\$5,000).

(b) A subsequent advance of money of less than five thousand dollars (\$5,000) pursuant to a revolving or open end loan agreement or similar agreement between a borrower and a licensed consumer finance lender which gives the borrower the right to draw upon all or any part of the line of credit, or a loan agreement providing for the making of advances to the borrower from time to time up to an aggregate maximum amount which gives the borrower the right to draw upon all or any part of the total amount, shall be deemed to be a loan of a principal amount of five thousand dollars (\$5,000) or more if the line of credit or the aggregate maximum amount is five thousand dollars (\$5,000) or more and the initial advance was five thousand dollars (\$5,000) or more even though the actual unpaid balance after the advance or at any other time is less than five

thousand dollars (\$5,000).

(c) If a loan made by a licensed consumer finance lender is in a principal amount of five thousand dollars (\$5,000) or more, the fact that the transaction is in the form of a sale of accounts, chattel paper, contract rights, goods or instruments or a lease of goods or in the form of an advance on the purchase price of any of the foregoing shall not be deemed to affect the loan or the bona fides of the amount thereof or to indicate that the provisions of Section 24053.1 are used for the purpose of evading this division.

SEC. 14. Section 24057 of the Financial Code is repealed.

SEC. 15. Section 24409 of the Financial Code is amended to read:

24409. The commissioner shall require that information pertaining to loans be stated separately in the annual reports as follows:

(a) For loans of a principal amount of less than five thousand dollars (\$5,000).

(b) For loans of five thousand dollars (\$5,000) or more and any other business.

(c) The commissioner may permit information pertaining to expenses in the annual report to be reported in totals by categories without separation as to types of loans, and may make such other rules from time to time as may be necessary to obtain adequate information pertaining to the licensee.

The report shall be made under oath and in the form prescribed by the commissioner.

SEC. 16. Section 24450.1 of the Financial Code is amended to read:

24450.1. (a) No licensee shall directly or indirectly charge, contract for, or receive any interest or charge of any nature with respect to a loan of five thousand dollars (\$5,000) or more unless the loan is made.

(b) Notwithstanding subdivision (a), when a loan of five thousand dollars (\$5,000) or more is not consummated because of the borrower's failure to disclose outstanding liens or other information essential to making the loan or solely because of the borrower's failure to complete the loan in accordance with the loan application, a licensee may charge, contract for, and receive an amount equal to the actual expenses incurred by the licensee in connection with the preparation for the loan.

SEC. 17. Section 24452 of the Financial Code is amended to read:

24452. (a) As used in this division, "open end loan" means a loan or loans made by a licensee pursuant to a loan agreement which expressly states that it is made pursuant to this section and pursuant to which:

(1) The licensee may permit the borrower to obtain advances of money from the licensee from time to time or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower.

(2) The amount of each advance and the charges and other



permitted costs are debited to an account.

(3) The charges are computed from time to time on the unpaid balances of the borrower's account, excluding from the computation any unpaid charges other than permitted fees, costs and expenses.

(4) The borrower has the privilege of paying the account in full at any time or in monthly installments.

(b) Subject to the written approval of the commissioner of the licensee's plan of business for making open end loans as not being misleading or deceptive and subject to regulations the commissioner may promulgate with respect to open end loans under Section 24400, a licensee may make open end loans pursuant to this section and may contract for and receive thereon charges as set forth in Sections 24451, 24451.1, and 24454.1. These charges may be calculated on an amount not exceeding the greater of:

(1) The actual daily unpaid balances of the open end account in the billing cycle for which the charge is made, in which case one-thirtieth of the monthly rate may be charged for each day the unpaid balance is outstanding.

(2) The average daily unpaid balance of the open end account in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to any balance unpaid as of the beginning of that day all advances and other debits and deducting all payments and other credits made or received as of that day.

The billing cycle shall be monthly. A billing cycle is monthly if the closing date of the cycle is the same date each month or does not vary by more than four days from the regular date.

(c) No licensee shall enter into any agreement for an open end consumer loan that provides for a minimum monthly payment that would result in the full repayment of principal over more than the maximum periods set forth below opposite the respective size of loans.

Principal amount of loan	Maximum period
Less than \$1,500.....	24 months and 15 days
\$1,500 but less than \$2,500 ..	36 months and 15 days
\$2,500 but less than \$4,000 ..	48 months and 15 days
\$4,000 but less than \$5,000 ..	60 months and 15 days

The minimum payment shall be determined by the amount of the initial loan advance and shall continue at that amount until a subsequent loan advance is made, at which time the minimum payment shall be determined by the amount of the unpaid balance of the loan after the advance and including the advance. Minimum payments after each advance shall be determined in the same manner.

(d) On open end loans the licensee may contract for and receive the fees, costs, and expenses permitted on other loans, including

those permitted by subdivisions (a), (b), (c), and (d) of Section 24458 and subdivision (d) of Section 24458.1, except that the charge for credit life insurance under Section 24458.1 shall be on a monthly basis and shall be actuarially consistent with the single premium rate for the same coverage approved or fixed by the Insurance Commissioner under Section 24458.1, or in accordance with a schedule of monthly rates filed with and not disapproved by the Insurance Commissioner.

(e) A licensee may not take real property as security, in whole or in part, for an open end loan under this section.

(f) Sections 24454 and 24455 shall apply to open end loans with the following variations:

(1) To comply with Section 24454, the loan contract shall provide for payment of minimum payments complying with subdivision (c).

(2) To comply with Section 24455, the licensee shall deliver to or at the direction of the borrower at the time of each loan advance an amount equal to the face value of the advance.

(g) In lieu of subdivision (a) of Section 24458.1, Section 24468, and subdivision (a) of Section 24473, the following provisions shall apply to open end loans:

(1) A licensee may provide insurance on the life of one or more borrowers, with his or her consent, the form to be approved by the Insurance Commissioner, and in an amount not in excess of the amount of the indebtedness. If life insurance is provided, and if the insured dies when there is an outstanding open end loan indebtedness, the insurance shall be sufficient to pay the total amount due on the loan outstanding on the date of his or her death without any exception, reservation or limitation. Any life insurance as is provided shall be in force as soon as the loan is made or coverage is agreed upon, whichever is later. No credit life insurance written in connection with an open end loan shall be canceled by the lender because of delinquency of the borrower in the making of the minimum payments thereon unless one or more of the payments is past due for a period of 90 days or more, and the lender shall advance to the insurer the amounts required to keep the insurance in force during that period, which amounts may be debited to the borrower's account.

(2) The open end loan agreement shall contain the name, address, and license number of the consumer finance lender and shall disclose the nature of the security taken, if any, the method of determining the minimum payments which will be required to repay the initial advance and any subsequent advances on the loan, and the agreed rate of charge.

(3) Except in the case of an account which the licensee deems to be uncollectible, or with respect to which delinquency collection procedures have been instituted, the licensee shall deliver or cause to be delivered to the borrower, or any one thereof, for each billing cycle at the end of which there is an outstanding balance in the account or with respect to which a finance charge is imposed, a

statement setting forth the outstanding balance in the account at the beginning of the billing cycle, the date and amount of any subsequent loan advance during the period, the amounts and dates of crediting to the account during the billing cycle for payments, the amount of any finance charge debited to the account during the billing cycle, the annual percentage rate of finance charge determined under Regulation Z promulgated by the Board of Governors of the Federal Reserve System (12 C.F.R. 226 et seq.), the balance on which the finance charge was computed, the closing date of the billing cycle, the outstanding balance on that date, and the minimum monthly payment required in the absence of any additional advance. If there has been any change in the nature of the security for the loan since the next preceding advance, the statement shall contain or be accompanied by a statement of the nature of the security for the loan after such change.

(h) Subdivision (e) of Section 24473 shall not apply to an open end loan with respect to which there is no balance outstanding if the open end loan agreement continues in effect.

(i) Section 24480 shall not apply to open end loans.

(j) Nothing in this section may be construed to limit the authority of the commissioner to disapprove advertising with respect to open end loans pursuant to Section 24414.

(k) This section shall not apply to loans other than open end loans.

SEC. 18. Section 24454 of the Financial Code is amended to read:

24454. Except as provided in Section 24451.3 and in Article 3 (commencing with Section 24480), all charges on loans made under this division shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days. The loan contract shall provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments, the first of which shall be due not less than 15 days nor more than 1 month and 15 days from the date the loan is made.

This section shall not apply to open end loans.

SEC. 19. Section 24470 of the Financial Code is amended to read:

24470. No licensee shall enter into any contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set forth below opposite the respective size of loans.

Principal amount of loan	Maximum term
Less than \$1,500.....	24 months and 15 days
\$1,500 but less than \$2,500 ..	36 months and 15 days
\$2,500 but less than \$4,000 ..	48 months and 15 days
\$4,000 but less than \$6,000 ..	60 months and 15 days
\$6,000 but less than \$10,000	84 months and 15 days

This section shall not apply to open end loans.

SEC. 20. Section 26054.1 of the Financial Code is amended to read:

26054.1. In determining whether a loan is a loan of a bona fide principal amount of five thousand dollars (\$5,000) or more, the following principles shall apply:

(a) If a borrower applies for a loan in a principal amount of less than five thousand dollars (\$5,000) and a loan to that borrower of a principal amount of five thousand dollars (\$5,000) or more is made by a licensed commercial finance lender, no adequate economic reason for the increase in the size of the loan exists, and by prearrangement or understanding between the borrower and the licensee a substantial payment is to be made upon the loan with the effect of reducing the principal amount of the loan to less than five thousand dollars (\$5,000) within a short time after the making of the loan other than by reason of a requirement that the loan be paid in substantially equal periodical installments, then the loan shall not be deemed to be a loan of the bona fide principal amount of five thousand dollars (\$5,000) or more.

(b) A subsequent advance of money of less than five thousand dollars (\$5,000) pursuant to a revolving or open end loan agreement or similar agreement between a borrower and a licensed commercial finance lender which gives the borrower the right to draw upon all or any part of the line of credit, or a loan agreement providing for the making of advances to the borrower from time to time up to an aggregate maximum amount which gives the borrower the right to draw all or any part of the total amount, shall be deemed to be a loan of a principal amount of five thousand dollars (\$5,000) or more if the line of credit or the aggregate maximum amount is five thousand dollars (\$5,000) or more and the initial advance was five thousand dollars (\$5,000) or more even though the actual unpaid balance after the advance or at any other time is less than five thousand dollars (\$5,000).

(c) If a loan made by a licensed commercial finance lender is in a principal amount of five thousand dollars (\$5,000) or more, the fact that the transaction is in the form of a sale of accounts, chattel paper, contract rights, goods, or instruments, or a lease of goods, or in the form of an advance on the purchase price of any of the foregoing, shall not be deemed to affect the bona fides of the amount thereof.

SEC. 21. Section 26057 of the Financial Code is repealed.

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## CHAPTER 59

An act to add Chapter 1.5 (commencing with Section 5050) to Division 6 of Title 1 of the Government Code, relating to public obligations in registered form, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1983. Filed with  
Secretary of State June 2, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 1.5 (commencing with Section 5050) is added to Division 6 of Title 1 of the Government Code, to read:

#### CHAPTER 1.5. REGISTERED PUBLIC OBLIGATIONS

5050. This chapter may be cited as the Registered Public Obligations Act of California.

5051. As used in this chapter, the following terms have the following meanings, unless the context otherwise requires:

(a) "Authorized officer" means any individual required or permitted, alone or with others, by any provision of law or by the issuing public entity, to execute on behalf of the public entity a certificated registered public obligation or a writing relating to an uncertificated registered public obligation.

(b) "Certificated registered public obligation" means a registered public obligation which is represented by an instrument.

(c) "Code" means the Internal Revenue Code of 1954, as amended.

(d) "Facsimile seal" means the reproduction by engraving, imprinting, stamping, or other means of the seal of the issuer, official or official body.

(e) "Facsimile signature" means the reproduction by engraving, imprinting, stamping, or other means of a manual signature.

(f) "Financial intermediary" means a bank, broker, clearing corporation, or other person, or the nominee of any of them, which in the ordinary course of its business maintains registered public obligation accounts for its customers, when so acting.

(g) "Issuer" means a public entity which issues an obligation.

(h) "Obligation" means an agreement of a public entity to pay principal and any interest thereon, whether in the form of a contract to repay borrowed money, a lease, an installment purchase agreement, or otherwise, and includes a share, participation, or other interest in any such agreement.

(i) "Official actions" means the actions by statute, order, ordinance, resolution, contract, or other authorized means by which the issuer provides for issuance of a registered public obligation.

(j) "Official or official body" means the officer or board that is empowered under the laws of this state to provide for original issuance of an obligation of the issuer, by defining the obligation and its terms, conditions, and other incidents, the successor or successors of any such official or official body, and such other person or group or persons as shall be assigned duties of such official or official body with respect to a registered public obligation under applicable law from time to time.

(k) "Public entity" means any entity, department, or agency which is empowered under the laws of this state, to issue obligations any interest with respect to which may, under provision of law, be provided an exemption from the income tax referred to in the code. The term "public entity" may thus include, without limitation, the state, an entity deriving powers from and acting pursuant to the State Constitution or a special legislative act, a political subdivision, a municipal corporation, a state university or college, a school or other special district, a joint agreement entity, a public authority, a public trust, a nonprofit corporation, and other organizations.

(l) "Registered public obligation" means an obligation issued by a public entity pursuant to a system of registration.

(m) "System of registration" and its variants means a plan that provides:

(i) With respect to a certificated registered public obligation that (1) the certificated registered public obligation specify a person entitled to the registered public obligation and the rights it represents, and (2) transfer of the certificated registered public obligation and the rights it represents may be registered upon books maintained for that purpose by or on behalf of the issuer; and

(ii) With respect to an uncertificated registered public obligation, that (1) books maintained by or on behalf of the issuer for the purpose of registration of the transfer of a registered public obligation specify a person entitled to the registered public obligation and the rights evidenced thereby, and (2) transfer of the uncertificated registered public obligation and the rights evidenced thereby be registered upon such books.

(n) "Uncertificated registered public obligation" means a registered public obligation which is not represented by an instrument.

5052. (a) The code provides that interest with respect to certain obligations may not be exempt from federal income taxation unless they are in registered form. It is, therefore, a matter of state concern that public entities be authorized to provide for the issuance of obligations in such form. It is a purpose of this chapter to empower all public entities to establish and maintain a system pursuant to which obligations may be issued in registered form within the meaning of the applicable provisions of the code.

(b) Obligations have traditionally been issued in bearer rather than in registered form, and a change from bearer to registered form may affect the relationships, rights, and duties of issuers of, and the persons that deal with obligations, and by such effect, the costs. Such effects will impact the various issuers and varieties of obligations differently depending on their legal and financial characteristics, their markets, and their adaptability to recent and prospective technological and organizational developments. It is, therefore, a matter of state concern that public entities be provided flexibility in the development of such systems and control over system incidents, so as to accommodate such differing impacts. It is a purpose of this

chapter to empower the establishment and maintenance, and amendment from time to time, of differing systems of registration of obligations, including systems incidents, so as to accommodate the differing impacts upon issuers and varieties of obligations. It is further a purpose of this chapter to authorize systems that will facilitate the prompt and accurate transfer of registered public obligations and developing practices with regard to the registration and transfer of registered public obligations.

5053. (a) Each issuer is authorized to establish and maintain a system of registration with respect to each obligation which it issues. The system may either be (1) a system pursuant to which only certificated registered public obligations are issued, or (2) a system pursuant to which only uncertificated registered public obligations are issued, or (3) a system pursuant to which both certificated and uncertificated registered public obligations are issued. The issuer may amend, discontinue, and reinstitute any system, from time to time, subject to covenants.

(b) The system shall be established, amended, discontinued, or reinstituted for the issuer by, and shall be maintained for, the issuer as provided by, the official or official body.

(c) The system shall be described in the registered public obligation or in the official actions which provide for original issuance of the registered public obligation, and in subsequent official actions providing for amendments and other matters from time to time. Such description may be by reference to a program of the issuer which is established by the official or official body.

(d) The system shall define the method or methods by which transfer of the registered public obligation shall be effective with respect to the issuer, and by which payment of principal and any interest shall be made. The system may permit the issuance of registered public obligations in any denomination to represent several registered public obligations of smaller denominations. The system may also provide for the form of any certificated registered public obligation or of any writing relating to an uncertificated registered public obligation, for identifying numbers or other designations, for a sufficient supply of certificates for subsequent transfers, for record and payment dates, for varying denominations, for communications to holders or owners of obligations, and for accounting, canceled certificate destruction, registration, and release of security interests, and other incidental matters. Unless the issuer otherwise provides, the record date for interest payable on the first or fifteenth days of a month shall be the fifteenth day or the last business day of the preceding month, respectively, and for interest payable on other than the first or fifteenth days of a month, shall be the fifteenth calendar day before the interest payment date.

(e) Under a system pursuant to which both certificated and uncertificated registered public obligations are issued, both types of registered public obligations may be regularly issued, or one type may be regularly issued and the other type issued only under

described circumstances or to particular described categories of owners, and provisions may be made for registration and release of security interests in registered public obligations.

(f) The system may include covenants of the issuer as to amendments, discontinuances, and reinstitutions of the system and the effect of such on the exemption of interest from the income tax provided for by code.

(g) Whenever an issuer shall issue an uncertificated registered public obligation, the system of registration may provide that a true copy of the official actions of the issuer relating to such uncertificated registered public obligation be maintained by the issuer or by the person, if any, maintaining such system on behalf of the issuer, so long as the uncertificated registered public obligation remains outstanding and unpaid. A copy of such official actions, verified to be such by an authorized officer, shall be admissible before any court of record, administrative body, or arbitration panel without further authentication.

(h) Nothing in this chapter shall preclude a conversion from one of the forms of registered public obligations provided for by this chapter to a form of obligation not provided for by this chapter, if interest on the obligation so converted will continue to be exempt from the income tax provided for by the code.

(i) The rights provided by other laws with respect to obligations in forms not provided for by this chapter shall, to the extent not inconsistent with this chapter, apply with respect to registered public obligations issued in forms authorized by this chapter.

5054. (a) A certificated registered public obligation shall be executed by the issuer by the manual or facsimile signature or signatures of authorized officers. Any signature of an authorized officer may be attested by the manual or facsimile signature of another authorized officer.

(b) In addition to the signatures referred to in subdivision (a), any certificated registered public obligation or any writing relating to an uncertificated registered public obligation may include a certificate or certificates signed by the manual or facsimile signature of an authenticating agent, registrar, transfer agent, or the like.

5055. (a) Any certificated registered public obligation signed by the authorized officers at the time of the signing thereof shall remain valid and binding, notwithstanding that before the issuance thereof any or all of such officers shall have ceased to fill their respective offices.

(b) Any authorized officer empowered to sign any certificated registered public obligation may adopt, as and for the signature of such officer, the signature of a predecessor in office in the event that such predecessor's signature appears on such certificated registered public obligation. An authorized officer incurs no liability by adoption of a predecessor's signature that would not be incurred by such authorized officer, if the signature were that of such authorized officer.



5056. When a seal is required or permitted in the execution of any certificated registered public obligation, an authorized officer may cause the seal to be printed, engraved, stamped, or otherwise placed in facsimile thereon. The facsimile seal has the same legal effect as the impression of the seal.

5057. (a) An issuer may appoint for such term as may be agreed, including for so long as a registered public obligation may be outstanding, corporate or other authenticating agents, transfer agents, registrars, paying or other agents, and specify the terms of their appointment, including their rights, their compensation and duties, limits upon their liabilities and provision for their payment of liquidated damages in the event of breach of certain of the duties imposed, which liquidated damages may be made payable to the issuer, the owner or a financial intermediary. None of such agents need have an office or do business within this state.

(b) An issuer may agree with custodian banks and financial intermediaries, and nominees of any of them, in connection with the establishment and maintenance by others of a central depository system for the transfer or pledge of registered public obligations. Any such custodian banks and financial intermediaries, and nominees, if qualified and acting as fiduciaries, may serve also as authenticating agents, transfer agents, registrars, paying or other agents of the issuer with respect to the same issue of registered public obligations.

(c) Nothing shall preclude the issuer from itself performing, either alone or jointly with other issuers, any transfer, registration, authentication, payment, or other function described in this section.

5058. (a) An issuer, prior to or at original issuance of registered public obligations, may provide as a part of a system of registration that the transferor or transferee of the registered public obligations pay all or a designated part of the costs of the system as a condition precedent to transfer, that costs be paid out of proceeds of the registered public obligations, or that both methods be used. The portion of the costs of the system not provided to be paid for by the transferor or transferee or out of proceeds shall be the liability of the issuer.

(b) The issuer may, as part of a system of registration, provide for reimbursement or for satisfaction of its liability by payment by others. The issuer may enter into agreements with others respecting such reimbursement or payment, may establish fees and charges pursuant to such agreements or otherwise, and may provide that the amount or estimated amount of such fees and charges shall be reimbursed or paid from the same sources and by means of the same collection and enforcement procedures and with the same priority and effect as with respect to the obligations.

5059. Obligations issued by public entities under the laws of this state, which are in registered form, whether or not represented by an instrument, and which, except for their form, satisfy the requirements with regard to security for deposits of moneys of public agencies prescribed pursuant to any law of this state, shall be deemed

to satisfy all such requirements, even though they are in registered form, if a security interest in such obligations is perfected on behalf of the public agencies whose moneys are so deposited.

5060. (a) Records, with regard to the ownership of or security interests in registered public obligations, are not subject to inspection or copying under any law of this state relating to the right of the public to inspect or copy public records, notwithstanding any law to the contrary.

(b) Registration records of the issuer may be maintained at such locations within or without this state as the issuer shall determine.

5061. (a) Unless at any time prior to or at original issuance of a registered public obligation the official or official body of the issuer determines otherwise, this chapter shall be applicable to such registered public obligation notwithstanding any provision of law to the contrary. When this chapter is applicable, no contrary provision shall apply.

(b) Nothing in this chapter limits or prevents the issuance of obligations in any other form or manner authorized by law.

(c) Unless determined otherwise pursuant to subdivision (a), the provisions of this chapter shall be applicable with respect to obligations which have heretofore been approved by vote, referendum, or hearing, authorizing or permitting the authorization of obligations in bearer and registered form, or in bearer form only, and such obligations need not be resubmitted for a further vote, referendum, or hearing, for the purpose of authorizing or permitting the authorization of registered public obligations pursuant to this chapter.

5062. This chapter shall be construed in conjunction with the Uniform Commercial Code and the principles of contract law relative to the registration and transfer of obligations.

SEC. 2. If any provision or the application of any provision of this act shall be invalid, it shall not affect the validity of other provisions or other applications, it hereby being declared that the provisions or the applications of this act are separable and this act would have been enacted with the invalid provision omitted or without the invalid application in any event.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Subsection (j) of Section 103 of the Internal Revenue Code of 1954 denies exemption from the income tax referred to in paragraph (1) thereof of interest on any obligation required by subsection (j) to be in registered form and which is not in such form. Many laws relating to the issuance of obligations do not provide the authorization for compliance and its incidents. Consequently, in order to enable all issuers to comply, so as to prevent substantial additional financing costs or delays in the financing of projects, it is necessary that this act take effect immediately.

## CHAPTER 60

An act to amend Section 72410 of the Education Code, and to amend Section 1253.3 of the Unemployment Insurance Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[ Approved by Governor June 2, 1983. Filed with  
Secretary of State June 2, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 72410 of the Education Code is amended to read:

72410. (a) No governing board shall affix the title of deputy, associate, or assistant superintendent to any position not defined by this code as a position requiring certification qualifications or which does not qualify under the provisions set forth by the Board of Governors of the California Community Colleges as a position requiring certification qualifications. These titles may, however, be assigned to the position of business manager or a related business position. Except as provided in subdivision (b), the position shall not, if so designated, require certification qualifications, nor shall the employee be deemed to be a certificated employee.

(b) Notwithstanding any other provision of law, when the title of deputy, associate, assistant superintendent, vice president, or vice chancellor has been affixed to the position of business manager of a community college district having resident average daily attendance of more than 12,000, the governing board of the district may, without reference to the certification qualifications of the business manager, appoint, employ, and terminate persons holding the position in accordance with provisions of this code which apply to certificated administrative employees.

SEC. 2. Section 1253.3 of the Unemployment Insurance Code is amended to read:

1253.3. (a) Notwithstanding any other provision of this division, unemployment compensation benefits, extended duration benefits, and federal-state extended benefits are payable on the basis of service to which Section 3309(a)(1) of the Internal Revenue Code of 1954 applies, in the same amount, on the same terms, and subject to the same conditions as such benefits payable on the basis of other service subject to this division, except as provided by this section.

(b) Benefits specified by subdivision (a) of this section based on service performed in the employ of a nonprofit organization, or of any public entity as defined by Section 605, or of any federally operated school, with respect to service in an instructional, research, or principal administrative capacity for an educational institution shall not be payable to any individual with respect to any week which begins during the period between two successive academic years or

terms or, when an agreement provides instead for a similar period between two regular but not successive terms, during that period, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual performs services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services for any educational institution in the second of the academic years or terms.

(c) Benefits specified by subdivision (a) of this section based on service performed in the employ of a nonprofit organization, or of any public entity as defined by Section 605, or of any federally operated school, with respect to service in any other capacity than specified in subdivision (b) for an educational institution shall not be payable to any individual with respect to any week which commences during a period between two successive academic years or terms if the individual performs the service in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the service in the second of the academic years or terms, except that the individual shall be entitled to a retroactive payment of benefits for each week for which benefits are denied solely by reason of this subdivision commencing with the week during which a timely claim for benefits is filed, if the individual is not offered an opportunity to perform the services for the educational institution for the second of the academic years or terms, and if the individual is otherwise eligible except for the requirement that he or she file a claim for each week benefits are claimed. A claim for retroactive benefits may be made no later than 30 days following the commencement of the second academic year or term.

(d) Benefits specified by subdivision (a) of this section based on service performed in the employ of a nonprofit organization, or of any public entity as defined by Section 605, or of any federally operated school, with respect to services specified by subdivision (b) or (c), shall not be payable to any individual with respect to any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

(e) For purposes of this section, "reasonable assurance" includes, but is not limited to, an offer of employment made by the educational institution, provided that the offer is not contingent on enrollment, funding, or program changes.

(f) For purposes of this section, if the time for service performed during the period of and pursuant to any contract for any academic year or term by an individual for any employing unit as specified in subdivision (b) or (c) constitutes one-half or more of the time in total service performed for the employing unit by the individual during that same period for remuneration, all the services of the individual

for the employing unit for that period shall be deemed subject to the benefit payment restriction provisions of this section.

(g) Subdivisions (b), (c), and (d) of this section shall not apply to nonprofessional workers employed by the Fremont or Riverside campus of the California School for the Deaf, the Fremont campus of the California School for the Blind, or the diagnostic schools for the neurologically handicapped located in Los Angeles, San Francisco, and Fresno. These nonprofessional workers are not defined as school employees.

(h) Any public entity as defined by Section 605, with respect to any individual performing a service in any other capacity other than specified in subdivision (b) for an educational institution, shall provide the following in writing to the individual no later than 30 days before the end of the first of the academic year or term.

A statement which indicates the following:

(1) Whether or not there is a reasonable assurance of reemployment.

(2) Whether or not it is stated that the individual has no reasonable assurance of reemployment, that the individual should file a claim for benefits at the close of the academic year or term.

(3) If it is stated that the individual has reasonable assurance of reemployment, the written statement shall also inform the employee that he or she may file a claim for benefits and that the determination for eligibility for benefits is made by the Employment Development Department and not by the employer.

(4) If it is stated that the individual has reasonable assurance of reemployment, that the individual shall be entitled to a retroactive payment of benefits if the individual is not offered an opportunity to perform the services for the educational institution for the second of the academic years or terms, if the individual is otherwise eligible except for the requirement that he or she file a claim for each week benefits are claimed, and if a claim for retroactive benefits is made no later than 30 days following the commencement of the second academic year or term.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

SEC. 4. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effect state compliance with the provisions of the

federal Social Security Reform Act of 1983 that deem nonprofessional school employees between terms ineligible for unemployment insurance compensation benefits, which compliance is necessary to avoid the loss to the State of California of \$270 million in federal grants and the loss to California employers of \$1.7 billion in federal unemployment tax credits, and in order to decrease unduly burdensome administration costs associated with the employment, appointment, and termination of business managers of community college districts, it is essential that this act take effect immediately.

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## CHAPTER 61

An act to add Chapter 1.5 (commencing with Section 1899) to Title 4 of Part 4 of Division 3 of the Civil Code, relating to loans of property to museums.

[Approved by Governor June 2, 1983. Filed with  
Secretary of State June 2, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 1.5 (commencing with Section 1899) is added to Title 4 of Part 4 of Division 3 of the Civil Code, to read:

### CHAPTER 1.5. LOANS TO MUSEUMS FOR INDEFINITE OR LONG TERMS

1899. The Legislature finds and declares as follows:

(a) Many museums have benefited greatly from having property loaned to them for study or display. Problems have arisen, however, in connection with loans for indefinite or long terms, when museums and lenders have failed to maintain contact. Many of these problems could be avoided by a clarification and regularization of the rights and obligations of the parties to loans for indefinite or long terms.

(b) An existing law, the Unclaimed Property Law (commencing with Section 1500 of the Code of Civil Procedure), is technically applicable to property on loan to a museum which has been left unclaimed by its owner for at least seven years.

(c) While the Unclaimed Property Law addresses problems similar to those which arise in the museum context when the parties to loans fail to maintain contact, there is need for an alternative method of dealing with unclaimed property in the hands of museums, one tailored to the unique circumstances of unclaimed loans to museums. These circumstances include the likelihood that the unclaimed property has significant scientific, historical, aesthetic, or cultural value but does not have great monetary value; that the public's interest in the intangible values of unclaimed property loaned to museums can best be realized if title is transferred to the

museums holding the property; that often lenders intend eventually to donate property but place it on indefinite or long term loan initially for tax and other reasons; and that many museums have incurred unreimbursed expenses in caring for and storing unclaimed loaned property.

(d) There is an inherent tendency for the condition of tangible property to change over time. Loaned property often requires conservation work and conservation measures may be expensive or potentially detrimental to the property. Organic materials and specimens may serve as breeding grounds for insects, fungi, or diseases which threaten other more valuable property.

(e) Museums cannot reasonably be expected to make decisions regarding conservation or disposition of loaned property at their own risk and expense. Over time, however, lenders die or move, and museums and lenders lose contact. If a lender has failed to maintain contact with a museum, it is often impossible to locate the lender so that the lender can make decisions regarding conservation or disposition of loaned property.

(f) Since museums rarely relocate, it is easier for lenders, and those who claim through them, to notify museums of address or ownership changes so that museums can readily contact lenders when decisions must be made regarding conservation or disposition of loaned property.

(g) The best evidence of ownership of property on loan to a museum is generally the original loan receipt. The longer property remains on loan, the less likely it is that the original lender will claim it, and the more likely it is that any claim which is made will be made by someone who does not have the original loan receipt or other clear evidence of ownership. The state has a substantial interest in cutting off stale and uncertain claims to tangible personal property loaned to nonprofit and public museums.

(h) Most of the tangible personal property which escheats to the state under the Unclaimed Property Law is found in safe deposit boxes. Although 40–50 percent of the intangible property which escheats to the state is subsequently claimed, less than 1 percent of escheated tangible personal property is claimed. Of the few claims which are presented to the Controller for tangible personal property, most are presented within two years of the date the Controller gives notice of the escheat.

(i) The public interest is served by requiring lenders to notify museums of changes in address or ownership of loaned property, by establishing a uniform procedure for lenders to preserve their interests in property loaned to museums for indefinite or long terms, and by vesting title to unclaimed property on loan to museums in the museums which have custody of the property.

1899.1. For the purposes of this chapter:

(a) A "museum" is an institution located in California and operated by a nonprofit corporation or public agency, primarily educational, scientific, or aesthetic in purpose, which owns, borrows,

or cares for, and studies, archives, or exhibits property.

(b) A "lender's address" is the most recent address as shown on the museum's records pertaining to the property on loan from the lender.

(c) The terms "loan," "loaned," and "on loan" include all deposits of property with a museum which are not accompanied by a transfer of title to the property.

(d) "Property" includes all tangible objects, animate and inanimate, under a museum's care which have intrinsic value to science, history, art, or culture, except that it does not include botanical or zoological specimens loaned to a museum for scientific research purposes.

1899.2. (a) When a museum is required to give a lender notice pursuant to the provisions of this chapter, the museum shall be deemed to have given a lender notice if the museum mails the notice to the lender at the lender's address and proof of receipt is received by the museum within 30 days from the date the notice was mailed. If the museum does not have an address for the lender, or if proof of receipt is not received by the museum, notice shall be deemed given if the museum publishes notice at least once a week for three successive weeks in a newspaper of general circulation in both the county in which the museum is located and the county of the lender's address, if any.

(b) In addition to any other information prescribed in this chapter, notices given pursuant to it shall contain the lender's name, the lender's address, if known, the date of the loan and, if the notice is being given by the museum, the name, address, and telephone number of the appropriate office or official to be contacted at the museum for information regarding the loan.

(c) For the purposes of this section, a museum is "located" in the county of a branch of the museum to which a loan is made. In all other instances, a museum is located in the county in which it has its principal place of business.

1899.3. (a) If, on or after January 1, 1984, a museum accepts a loan of property for an indefinite term, or for a term in excess of seven years, the museum shall inform the lender in writing at the time of the loan of the provisions of this chapter. A copy of the form notice prescribed in Section 1899.5, or a citation to this chapter, is adequate for this purpose.

(b) Unless the loaned property is returned to the claimant, the museum shall retain for a period of not less than 25 years the original or an accurate copy of each notice filed by a claimant pursuant to Section 1899.4.

(c) The museum shall furnish anyone who files a notice of intent to preserve an interest in property on loan proof of receipt of the notice by mailing an original receipt or a copy of the receipt portion of the form notice prescribed in Section 1899.5 to the lender or other claimant at the address given on the notice within 30 days of receiving the notice.



(d) A museum shall give a lender prompt notice of any known injury to or loss of property on loan.

1899.4. (a) It is the responsibility of the owner of property on loan to a museum to notify the museum promptly in writing of any change of address or change in ownership of the property. Failure to notify the museum of these changes may result in the owner's loss of rights in the property.

(b) The owner of property on loan to a museum may file with the museum a notice of intent to preserve an interest in the property as provided for in Section 1899.5. The filing of a notice of intent to preserve an interest in property on loan to a museum does not validate or make enforceable any claim which would be extinguished under the terms of a written loan agreement, or which would otherwise be invalid or unenforceable.

1899.5. (a) A notice of intent to preserve an interest in property on loan to a museum filed pursuant to this chapter shall be in writing, shall contain a description of the property adequate to enable the museum to identify the property, shall be accompanied by documentation sufficient to establish the claimant as owner of the property, and shall be signed under penalty of perjury by the claimant or by a person authorized to act on behalf of the claimant.

(b) The museum need not retain a notice which does not meet the requirements set forth in subdivision (a). If, however, the museum does not intend to retain a notice for this reason, the museum shall promptly notify the claimant at the address given on the notice that it believes the notice is ineffective to preserve an interest, and the reasons therefor. The fact that the museum retains a notice shall not be construed to mean that the museum accepts the sufficiency or accuracy of the notice or that the notice is effective to preserve an interest in property on loan to the museum.

(c) A notice of intent to preserve an interest in property on loan to a museum which is in substantially the following form, and contains the information and attachments described, satisfies the requirements of subdivision (a):

#### NOTICE OF INTENT TO PRESERVE AN INTEREST IN PROPERTY ON LOAN TO A MUSEUM

**TO THE LENDER:** Section 1899.4 of the California Civil Code requires that you notify the museum promptly in writing of any change of address or ownership of the property. If the museum is unable to contact you regarding your loan, you may lose rights in the loaned property. If you choose to file this form with the museum to preserve your interest in the property, the museum is required to maintain it, or a copy of it, for 25 years. For full details, see Section 1899, et seq. of the California Civil Code.

**TO THE MUSEUM:** You are hereby notified that the undersigned claims an interest in the property described herein.  
Claimant

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Social Security Number (optional): \_\_\_\_\_

Museum Name: \_\_\_\_\_

Date Property Loaned: \_\_\_\_\_

Interest in Property: \_\_\_\_\_

If you are not the original lender, describe the origin of your interest in the property and attach a copy of any document creating your interest:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_**Description of Property:**

Unless an accurate, legible copy of the original loan receipt is attached, give a detailed description of the claimed property, including its nature and general characteristics and the museum registration number assigned to the property, if known, and attach any documentary evidence you have establishing the loan:

Registration # \_\_\_\_\_

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Attach additional sheets if necessary.)

I understand that I must promptly notify the museum in writing of any change of address or change in ownership of the loaned property.

I declare under penalty of perjury that to the best of my knowledge the information contained in this notice is true.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(claimant)

**OR**

I declare under penalty of perjury that I am authorized to act on behalf of the claimant and am informed and believe that the information contained in this notice is true.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(claimant's representative)

**RECEIPT FOR NOTICE OF INTENT  
TO PRESERVE AN INTEREST IN PROPERTY**

(For use by the museum.)

Notice received by: \_\_\_\_\_

Date of receipt: \_\_\_\_\_

Copy of receipt returned to claimant:

By \_\_\_\_\_

Date: \_\_\_\_\_

(d) Notices of intent to preserve an interest in property on loan to a museum filed pursuant to this chapter are exempt from the disclosure requirements of the California Public Records Act (commencing with Section 6250 of the Government Code).

1899.6. (a) Unless there is a written loan agreement to the contrary, a museum may apply conservation measures to or dispose of property on loan to the museum without a lender's permission if:

(1) Immediate action is required to protect the property on loan or to protect other property in the custody of the museum, or because the property on loan has become a hazard to the health and safety of the public or of the museum's staff; and:

(A) The museum is unable to reach the lender at the lender's last address of record so that the museum and the lender can promptly agree upon a solution; or

(B) The lender will not agree to the protective measures the museum recommends, yet is unwilling or unable to terminate the loan and retrieve the property.

(2) In the case of a lender who cannot be contacted in person, the museum publishes a notice containing the information described in subdivision (a) of Section 1899.7 and there is no response for 120 days.

(b) If a museum applies conservation measures to or disposes of property pursuant to subdivision (a):

(1) The museum shall have a lien on the property and on the proceeds from any disposition thereof for the costs incurred by the museum; and

(2) The museum shall not be liable for injury to or loss of the property:

(A) If the museum had a reasonable belief at the time the action was taken that the action was necessary to protect the property on loan or other property in the custody of the museum, or that the property on loan constituted a hazard to the health and safety of the public or the museum's staff; and

(B) If the museum applied conservation measures, the museum exercised reasonable care in the choice and application of the conservation measures.

1899.7. (a) Except as provided in subdivision (b), if a museum is unable to give the lender the notice required by subdivision (d) of Section 1899.3 of injury to or loss of property on loan by mail, the museum shall be deemed to have given the lender notice of any injury or loss if in addition to the information required by subdivision (b) of Section 1899.2 the published notice includes a statement containing substantially the following information:

"The records of \_\_\_\_\_

(name of museum)

indicate that you have property on loan to it. Your failure to notify it in writing of a change of address or ownership of property on

loan or to contact it in writing regarding the loan may result in the loss of rights in the loaned property. See California Civil Code Sections 1899, et seq.”

(b) If, within three years of giving notice of injury to or loss of loaned property by publishing the notice set forth in subdivision (a), the museum receives a notice from a claimant pursuant to Section 1899.4, the museum shall promptly advise the claimant in writing of the nature of the injury to or the fact of the loss of property on loan and the approximate date thereof. For the purposes of the limitation period in Section 1899.8, if the museum mails the information to the claimant within 30 days of the date the museum receives the notice from the claimant, the museum shall be deemed to have given the claimant notice of the injury to or loss of property on loan on the date notice by publication pursuant to subdivision (a) was completed.

1899.8. Effective January 1, 1985, no action shall be brought against a museum for damages because of injury to or loss of property loaned to the museum more than (1) three years from the date the museum gives the lender notice of the injury or loss, or (2) ten years from the date of the injury or loss, whichever occurs earlier.

1899.9. (a) A museum may give the lender notice of the museum's intent to terminate a loan which was made for an indefinite term, or which was made on or after January 1, 1984, for a term in excess of seven years.

A notice of intent to terminate a loan given pursuant to this section shall include a statement containing substantially the following information:

“The records of \_\_\_\_\_

(name of museum)

indicate that you have property on loan to it. The institution wishes to terminate the loan. You must contact the institution, establish your ownership of the property, and make arrangements to collect the property. If you fail to do so promptly, you will be deemed to have donated the property to the institution. See California Civil Code Sections 1899, et seq.”

(b) For the purposes of this chapter, a loan for a specified term becomes a loan for an indefinite term if the property remains in the custody of the museum when the specified term expires.

1899.10. (a) The three-year limitation on actions to recover personal property prescribed in Code of Civil Procedure Section 338.3 shall run from the date the museum gives the lender notice of its intent to terminate the loan pursuant to Section 1899.9.

(b) Except as provided in subdivision (e), effective January 1, 1985, no action shall be brought against a museum to recover property on loan when more than 25 years have passed from the date of the last written contact between the lender and the museum, as evidenced in the museum's records.

(c) A lender shall be deemed to have donated loaned property to a museum if the lender fails to file an action to recover the property on loan to the museum within the periods specified in subdivisions

(a) and (b).

(d) One who purchases property from a museum acquires good title to the property if the museum represents that it has acquired title to the property pursuant to subdivision (c).

(e) Notwithstanding subdivisions (b) and (c), a lender who was not given notice that the museum intended to terminate a loan and who proves that the museum received a notice of intent to preserve an interest in loaned property within the 25 years immediately preceding the filing of an action to recover the property may recover the property or, if the property has been disposed of, the reasonable value of the property at the time the property was disposed of with interest at the rate on judgments set by the Legislature pursuant to Section 1 of Article XV of the California Constitution.

1899.11. (a) The provisions of this chapter supersede the provisions of the Unclaimed Property Law (commencing with Section 1500 of the Code of Civil Procedure) except that at its option, a museum may report property which has been on loan unclaimed by its owner for more than seven years to the Controller pursuant to Section 1530 of the Code of Civil Procedure for disposition in accordance with the provisions of the Unclaimed Property Law.

(b) Not less than six months or more than 12 months before reporting any loaned property to the Controller, a museum shall mail to the lender at the lender's address, if known, a notice of intent to report the property to the Controller. The notice shall include a statement containing substantially the following information:

"The records of \_\_\_\_\_

(name of museum)

indicate that you have property on loan to the institution. The institution wishes to terminate the loan. You must contact the institution, establish your ownership of the property and make arrangements to collect the property before \_\_\_\_\_ or the

(fill in date)

property will be disposed of in accordance with the provisions of the Unclaimed Property Law (commencing with Section 1500 of the Code of Civil Procedure)."

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

## CHAPTER 62

An act to amend Section 19286 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 8, 1983 Filed with  
Secretary of State June 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 19286 of the Revenue and Taxation Code is amended to read:

19286. (a) The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, or other tax officials of this state, or the Multistate Tax Commission, or the proper officer of any state imposing an income tax or a tax measured by income, or the authorized representative of any such officer, to inspect the income tax returns of any individual, estate, trust, or partnership, or may furnish to such commission, or the officer or the authorized representative thereof an abstract of the return of income of any taxpayer or supply thereto information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return of income of any taxpayer. Such information shall be furnished to the Multistate Tax Commission, such federal or state officer or his representative for tax purposes only. Except when furnished pursuant to a written agreement, information furnished pursuant to this section, shall be furnished only if the request is in the form of an affidavit under penalty of perjury stating that the purpose for the request relates to an investigation of the tax specified in the request and that the information will be used in the ordinary performance of the applicant's official duties.

(b) Notwithstanding the provisions of subdivision (a), tax officials of political subdivisions of this state shall request information from the Franchise Tax Board by affidavit only. At the time a tax official makes the request, he or she shall provide the affected taxpayer with a copy of the affidavit and, upon request, make the information obtained available to the taxpayer.

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CHAPTER 63

An act to amend Section 20642 of the Public Contract Code, relating to municipal water districts.

[Approved by Governor June 8, 1983. Filed with  
Secretary of State June 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 20642 of the Public Contract Code is amended to read:

20642. When work is not to be done by the district itself by force account, and the amount involved is twenty-five thousand dollars (\$25,000), or more, any contract for the doing of such work shall be let to the lowest responsible bidder, after publication, in the manner prescribed by the board, of notices inviting bids therefor. However, the board may reject any and all proposals.

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## CHAPTER 64

An act to amend Section 17504 of the Business and Professions Code, relating to advertising of consumer goods.

[Approved by Governor June 8, 1983. Filed with  
Secretary of State June 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17504 of the Business and Professions Code is amended to read:

17504. (a) Any person, partnership, corporation, firm, joint stock company, association, or organization engaged in business in this state as a retail seller who sells any consumer good or service which is sold only in multiple units and which is advertised by price shall advertise such goods or services at the price of the minimum multiple unit in which they are offered.

(b) Nothing contained in subdivision (a) shall prohibit a retail seller from advertising any consumer good for sale at a single unit price where such goods are sold only in multiple units and not in single units as long as the advertisement also discloses, at least as prominently, the price of the minimum multiple unit in which they are offered.

(c) For purposes of subdivision (a), "consumer good" means any article which is used or bought for use primarily for personal, family, or household purposes, but does not include any food item.

(d) For the purposes of subdivision (a), "consumer service" means any service which is obtained for use primarily for personal, family, or household purposes.

(e) For purposes of subdivision (a), "retail seller" means an individual, firm, partnership, corporation, joint stock company, association, organization, or other legal relationship which engages in the business of selling consumer goods or services to retail buyers.

## CHAPTER 65

An act to amend Section 6501 of the Business and Professions Code, relating to barbers.

[Approved by Governor June 8, 1983. Filed with  
Secretary of State June 9, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6501 of the Business and Professions Code is amended to read:

6501. One member of the board shall be a journeyman barber who has actively engaged in the practice of barbering in this state for at least five years immediately prior to his or her appointment. One member of the board shall be either a registered barber who has actively engaged in the practice of barbering for five years in this state and who is presently engaged in the management of a barber college as the owner of the barber college, or as a member of a partnership or officer of a corporation which owns a barber college, or a registered barber who has actively engaged in the practice of barbering in this state for at least five years immediately prior to his or her appointment and who presently employs one or more journeymen barbers. Nothing in this section shall make ineligible for appointment to the board of one person who has been a registered barber in this state for at least five years immediately prior to his or her appointment and whose work as organizer, or officer, of an organization directly affecting the welfare of the barber business, prevents his or her continuous practice as a barber.

The public members shall not be licentiates of the board.

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CHAPTER 66

An act to amend Section 12804 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 10, 1983. Filed with  
Secretary of State June 10, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 12804 of the Vehicle Code is amended to read:

12804. (a) The examination shall include a test of the applicant's knowledge and understanding of the provisions of this code governing the operation of vehicles upon the highways, the ability to read and understand simple English used in highway traffic and directional signs, and his understanding of traffic signs and signals,



including the bikeway signs, markers, and traffic control devices established by the Department of Transportation. The applicant shall be required to give an actual demonstration of his ability to exercise ordinary and reasonable control in operating a motor vehicle by driving it under the supervision of an examining officer and submit to an examination appropriate to the type of motor vehicle or combination of vehicles he or she desires a license to drive, except that the department may waive the driving test part of the examination of an applicant who holds a valid license issued by another state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. The examination shall also include a test of the hearing and eyesight of the applicant and other matters that may be necessary to determine the applicant's mental and physical fitness to operate a motor vehicle upon the highways and whether any ground exists for refusal of a license under this code. The examination for a class 1 or class 2 license under subdivision (b) shall also include a report of a medical examination of the applicant given not more than two years prior to the date of the application by a physician licensed to practice medicine. The report shall be on a form approved by the department or by the Federal Highway Administration or the Federal Aviation Administration. In establishing the requirements, consideration may be given to the standards presently required of motor carrier drivers by the Federal Highway Administration of the United States Department of Transportation. Any physical defect of the applicant, which, in the opinion of the department, is compensated to insure safe driving ability, shall not prevent the issuance of a license to the applicant.

(b) In accordance with the following classifications, any applicant for a driver's license shall be required to submit to an examination appropriate to the type of motor vehicle or combination of vehicles the applicant desires a license to drive:

(1) Class 1. Any combination of vehicles and includes the operation of all vehicles under class 2 and class 3.

(2) Class 2. Any bus, any single vehicle with three or more axles, any such vehicles towing another vehicle weighing less than 6,000 pounds gross, and all vehicles covered under class 3.

(3) Class 3. A three-axle housecar, any three-axle vehicle weighing less than 6,000 pounds gross, any two-axle vehicle, any three-axle housecar or vehicle towing another vehicle weighing less than 6,000 pounds gross, and any two-axle vehicle weighing 4,000 pounds or more unladen when towing either a trailer coach not exceeding 9,000 pounds gross or a trailer or semitrailer not exceeding 9,000 pounds gross designed and used exclusively for hauling livestock, or a trailer not exceeding 9,000 pounds gross used to transport agricultural products from a farm to a processing or handling point, or a trailer transporting a boat not exceeding 9,000 pounds gross, when the hauling of livestock or agricultural products or the towing of boats is not for compensation, or any schoolbus,

school pupil activity bus, youth bus, or farm labor vehicle, as specified in paragraph (1) of subdivision (d), except any other bus, two-wheel motorcycle, or two-wheel motor-driven cycle.

(4) Class 4. Any two-wheel motorcycle, any two-wheel motor-driven cycle, or any motorized bicycle. Authority to operate vehicles included in a class 4 license may be granted by endorsement on a class 1, 2, or 3 license upon completion of appropriate examination.

(c) Class 1 and class 2 driver's licenses shall be valid for operating class 1 or class 2 vehicles only when a medical certificate approved by the department or the Federal Highway Administration or the Federal Aviation Administration is in the licensee's immediate possession which has been issued within two years of the date of the operation of that vehicle, otherwise the license shall be valid only for operating class 3 vehicles and class 4 vehicles if so endorsed.

(d) (1) A class 3 license shall be valid for operating any schoolbus, school pupil activity bus, youth bus, or farm labor vehicle when a special driver's certificate to permit the operation of those vehicles is also in the immediate possession of the licensee. A class 3 license shall also be valid for operating any of those vehicles with no passengers aboard while receiving behind-the-wheel driver training from a person having in his or her immediate possession a special driver's certificate to permit the operation of the vehicle.

(2) A special driver certificate for the operation of a schoolbus, school pupil activity bus, youth bus, or farm labor vehicle shall not be valid unless the driver has, in his or her immediate possession, a medical certificate issued within the past two years.

(e) The department may accept a certificate of driving experience in lieu of a driving test on class 1 or 2 applications when the certificate is issued by an employer of the applicant, provided the applicant has first qualified for a class 3 license and also met the other examination requirements for the license for which he or she is applying. The certificate may be submitted as evidence of the applicant's experience or training in the operation of the types of equipment covered by the license for which he or she is applying.

(f) The department may accept a certificate of competence in lieu of a driving test on class 4 applications when the certificate is issued by a law enforcement agency for its officers who operate class 4 vehicles in their duties, provided the applicant has also met the other examination requirements for the license for which he or she is applying.

(g) Notwithstanding subdivision (b), any person holding a valid California driver's license of any class may operate a motorized bicycle without taking any special examination for the operation of a motorized bicycle and without having a class 4 endorsement on that license.

(h) Drivers of vanpool vehicles, may operate with class 3 licenses, but shall possess evidence of a medical examination required for a class 2 license when operating vanpool vehicles. The driver shall

keep in the vanpool vehicle a statement signed under penalty of perjury that he or she has not been convicted of reckless driving, drunk driving, or a hit and run offense in the last five years in order to be eligible to drive the vanpool vehicle.

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## CHAPTER 67

An act to amend Section 100450 of the Public Utilities Code, relating to transit districts.

[Approved by Governor June 10, 1983. Filed with  
Secretary of State June 10, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 100450 of the Public Utilities Code is amended to read:

100450. The district may issue bonds, payable from revenue of any facility or enterprise to be acquired or constructed by the district, in the manner provided by the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), all of the provisions of which are applicable to the district, except that these bonds may be paid, in whole or in part, from revenues made available under Article 9 (commencing with Section 100250) of Chapter 5 and, in such a case, the bonds may be issued without an election if the resolution authorizing the bonds provides that the retail transactions and use tax shall continue to be imposed under that Article 9 until the bonds are fully paid or provision has made for their payment in full.

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## CHAPTER 68

An act to amend Section 41856 of the Education Code, to amend Section 3 of Chapter 106 of the Statutes of 1980, to amend Section 1 of Chapter 30 of the Statutes of 1981, and to amend Section 4 of Chapter 88 of the Statutes of 1982, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1983. Filed with  
Secretary of State June 10, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 41856 of the Education Code is amended to read:

41856. (a) For the 1981-82 fiscal year, from Section A of the State School Fund the Superintendent of Public Instruction shall

apportion to each school district the amount of its approved home-to-school transportation costs for the previous fiscal year, but not to exceed 1.06 times the sum of the reduction made pursuant to subdivision (e) of Section 42241, the state reimbursement received in the prior fiscal year for home-to-school transportation costs, and the state apportionment, if any, received in the prior fiscal year pursuant to former Section 41855. Districts not submitting a 1979-80 fiscal year State Department of Education transportation cost report for approval may do so and the superintendent shall determine the approved costs in the same manner as for those districts having submitted a report.

(b) For the 1982-83 fiscal year and each fiscal year thereafter, from Section A of the State School Fund, the superintendent shall apportion to each district the amount apportioned in the 1981-82 fiscal year pursuant to subdivision (a) reduced by the amount added to the district revenue limit pursuant to subdivision (a) of Section 42241.4 or to be increased by the amount subtracted from the district revenue limit pursuant to subdivision (b) of Section 42241.4, whichever is applicable, cumulatively increased by the amount provided in the Budget Act.

(c) In no event shall the amount apportioned pursuant to subdivision (b) exceed the district's actual approved home-to-school transportation costs for the prior fiscal year, except that an elementary school district located in a remote, sparsely populated area with less than 30 units of average daily attendance which contracts with a high school district for the home-to-school transportation of pupils shall be reimbursed for the additional contract costs caused by an increase in the total number of pupils transported in the 1982-83 fiscal year and each fiscal year thereafter.

SEC. 2. Section 3 of Chapter 106 of the Statutes of 1980 is amended to read:

Sec. 3. The governing board of the Curtis Creek Elementary School District may continue to use the building referred to in Section 1 until June 30, 1983. The governing board of the Columbia Union Elementary School District may continue to use the building referred to in Section 2 until June 30, 1985. During such period of continued use, the buildings shall not be subject to any of the provisions of Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

SEC. 3. The Tahoe Truckee Unified School District is conducting its continuation high school program in a structure which does not conform to the so-called Field Act. The structure is wooden with a concrete foundation and is leased from the Tahoe City Recreation District. Due to a substantial school district deficit, coupled with prohibitive rents on buildings available in the area, a move to more suitable facilities would be detrimental to the school district as a whole. It is necessary, therefore, that the existing structure continue to be used if the continuation high school program is to continue to

exist.

SEC. 4. Notwithstanding Section 39227 of the Education Code, the governing board of the Tahoe Truckee Unified School District may use until June 30, 1985, the existing building described in Section 3 to conduct its continuation high school program.

During the period of use authorized by this section, the building shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

SEC. 5. Section 1 of Chapter 30 of the Statutes of 1981 is amended to read:

Section 1. Notwithstanding Section 39227 of the Education Code, the Governing Board of the San Ramon Valley Unified School District may use facilities known as Twin Creeks Elementary School. During the period of use authorized by this section, the building and related facilities shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

The liability of the San Ramon Valley Unified School District and the members of its governing board for a dangerous condition in the Twin Creeks Elementary School during the period of use authorized by this section shall be determined by the provisions of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

This section shall remain in effect only until June 30, 1985, and as of that date is repealed, unless a later enacted statute, which is chaptered before June 30, 1985, deletes or extends that date.

SEC. 6. Section 4 of Chapter 88 of the Statutes of 1982 is amended to read:

Sec. 4. The governing board of the Allan Hancock Joint Community College District may continue to use for classroom and support services six buildings constructed between 1940 and 1945 for use as World War II barracks and two buildings constructed between 1928 and 1932 as part of the Hancock Airfield Facility, all of which presently comprise part of the campus of the Allan Hancock College. The use of the buildings herein described may be continued until June 30, 1985, or until the final completion of replacement facilities, whichever occurs first, and the liability of the Allan Hancock Joint Community College District and the members of its governing board during the period of use authorized by this section shall be determined by the provisions of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

SEC. 7. The Corning Union Elementary School District has certain buildings on its West Street School campus which do not conform to the so-called Field Act. However, because of a growth in average daily attendance in the district, it is necessary to provide additional inexpensive classroom space at the earliest possible time. The district intends to replace the nonconforming facilities as soon as possible under the Leroy F. Greene School Building Lease-Purchase Law of 1976. Until the replacement facilities are

available, it will be necessary to use the existing buildings for classroom space.

SEC. 8. Notwithstanding Section 39227 of the Education Code, the governing board of the Corning Union Elementary School District may use the existing building described in Section 7 for classroom space until the governing board determines that alternative facilities are available.

During the period of use authorized by this section, the building shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

SEC. 9. (a) In the event the Board of Supervisors of Sacramento County failed in the 1982-83 fiscal year to levy a tax upon the property in the Elk Grove Unified School District sufficient to raise for the district the amount of money to be deducted from State School Fund apportionments by the Controller during the 1982-83 fiscal year, as required by Section 16080 of the Education Code, and in the event the county auditor certifies that fact and the amount of the insufficiency to the Controller, the Controller shall reduce the total amount of the deductions from apportionments to be made to the Elk Grove Unified School District pursuant to Section 16080 of the Education Code for the 1982-83 fiscal year by the amount of the insufficiency.

(b) If, prior to the effective date of this act, the Controller has deducted from state apportionments to the Elk Grove Unified School District the total amount required in the 1982-83 fiscal year pursuant to Section 16080 of the Education Code, the Controller shall increase the apportionments from Section A of the State School Fund to the Elk Grove Unified School District for the 1982-83 fiscal year by an amount equal to the amount determined pursuant to subdivision (a).

(c) For the 1983-84 fiscal year, the Controller shall add to the amounts to be deducted from apportionments to the Elk Grove Unified School District pursuant to Section 16080 of the Education Code, the amount determined pursuant to subdivision (a), plus interest equal to the rate of interest earned by the Pooled Money Investment Account.

SEC. 10. The Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution due to the following:

(a) Unique circumstances concerning delays in building a new school facility for the Pinecrest School of the Columbia Elementary School District.

(b) Unique circumstances specified in Section 3 of this act concerning the Tahoe Truckee Unified School District.

(c) Unique circumstances concerning the unavailability of suitable replacements for the temporary facilities of the Twin Creek Elementary School of the San Ramon Valley Unified School District.

(d) Unique circumstances concerning the shortage of classroom space in the Corning Union Elementary School District.

(e) Unique circumstances concerning loan repayments to the State School Building Aid Fund by the Elk Grove Unified School District.

(f) Unique circumstances concerning the unavailability of suitable replacements for the affected buildings of the Allan Hancock Joint Community College District.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Columbia Union Elementary School District's authorization to house pupils temporarily in a building that does not satisfy Field Act standards expires on June 30, 1983, and the district will not be able to obtain replacement classrooms by that date.

The Tahoe Truckee Unified School District's authorization to house pupils temporarily in a building that does not satisfy Field Act standards expires December 30, 1982, and the district will not be able to obtain replacement classrooms by that date.

The San Ramon Valley Unified School District's authorization to house pupils in temporary facilities that do not satisfy Field Act standards expires on June 30, 1983, and the district will not be able to obtain replacement facilities by that date.

The Allan Hancock Joint Community College District's authorization to use buildings which do not satisfy Field Act standards for classroom and support services expires on June 30, 1983, and the district will not be able to obtain replacement facilities by that date.

The need of the Corning Union Elementary School District to provide adequate facilities to meet the requirements of a pupil population which has grown beyond the capacity of its current school facilities.

In order to permit the districts to use these buildings so that necessary educational services can be provided without interruption, it is necessary that this act take effect immediately.

Further, in order to permit the revision of the home-to-school transportation allowance prescribed by the bill to be made at the earliest possible time, and so avoid financial hardship to school districts, it is necessary that this act take effect immediately.

In addition, in order to prevent the depletion of the general fund of the Elk Grove Unified School District because of an inadvertent failure to levy a tax sufficient to provide the full amount of the 1982-83 fiscal year repayments of apportionments made under the State School Building Aid Law of 1952, it is necessary that this act take effect immediately.

## CHAPTER 69

An act to amend Section 84630.5 of, and to add Sections 71027.5 and 78462.5 to, the Education Code, and to amend Section 42 of Chapter 10 of the Statutes of 1983 (First Extraordinary Session), relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1983. Filed with  
Secretary of State June 10, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 71027.5 is added to the Education Code, to read:

71027.5. (a) The board of governors shall establish policies and guidelines which, for the 1983–84 fiscal year, or at such earlier time as the board may designate, identify those avocational, recreational, and personal development courses, whether offered for credit or noncredit, that are offered more appropriately as community service classes pursuant to Article 7 (commencing with Section 78300) of Part 48.

(b) The board of governors shall establish educational criteria which, commencing with the 1984–85 fiscal year, or at such earlier time as the board may designate, will enable community college districts to identify those avocational, recreational, and personal development courses, whether offered for credit or noncredit, that are offered more appropriately as community service classes pursuant to Article 7 (commencing with Section 78300) of Part 48.

SEC. 2. Section 78462.5 is added to the Education Code, to read:

78462.5. A student enrolled in a class offered by a community college district which is not eligible for state apportionments may be required by the governing board of the district maintaining the class to pay a fee for the class. The total revenues derived from the fee shall not exceed the estimated cost of all of these classes maintained.

SEC. 3. Section 84630.5 of the Education Code is amended to read:

84630.5. (a) For the 1982–83 fiscal year, if General Fund appropriations and local property tax and other local tax revenues allocated to community college districts are less than the amounts computed for all districts for the fiscal year, pursuant to Section 84620, the chancellor shall apportion general aid to the community college districts according to the procedure prescribed by this section.

(b) The chancellor shall fund in total for all community college districts the base as specified in Section 84620 plus lease and capital outlay commitments calculated pursuant to Section 84609, less the workload adjustment as specified in Section 84606 or 84607 for districts experiencing a loss in either noncredit or credit average



daily attendance, plus the workload adjustments specified in Section 84606 or 84607 for shifts in average daily attendance between credit and noncredit categories required due to implementation of the course classification system, and the following purposes in the following order:

(1) Inflation adjustments calculated pursuant to Section 84608.

(2) Workload increases in accordance with subdivision (g) of Section 84605.

(3) Program changes calculated pursuant to Section 84640.

(c) Unless otherwise provided in this article, in cases where total available funds are less than the total amount calculated for all districts for a particular purpose, the chancellor shall apportion funds for that purpose to each district eligible for the funds by multiplying the amounts determined in paragraphs (1) and (2):

(1) The total amount available for the purpose divided by the total of all districts' calculated amounts for that purpose.

(2) The calculated amount for that purpose for the district during the fiscal year.

SEC. 4. Section 42 of Chapter 10 of the Statutes of 1983 (First Extraordinary Session) is amended to read:

Sec. 42. (a) Notwithstanding any other provisions of law, an amount equal to the sum of the decreases in employer contributions to the Public Employees' Retirement System, exclusive of the amount of the federal share of employer contributions to the Public Employees' Retirement System, as certified by the county superintendents, for employees supported by federal funds for a specific purpose and subject to federal supplanting restrictions, for each community college district for the period of January 1, 1983, to June 30, 1983, shall revert from the unencumbered balance of the appropriation made by Item 6870-101-001 of the Budget Act of 1982 to the unappropriated surplus of the General Fund. The decreases in employer contributions shall be identified pursuant to the November 17, 1982, decision of the Board of Administration of the Public Employees' Retirement System to provide credits against employers' contributions.

(b) The allocations of apportioned funds made to community college districts for the 1982-83 fiscal year shall be reduced by the amount reverted pursuant to subdivision (a). The preliminary estimate of the amount of reduction in funds allocated for the 1982-83 fiscal year for each community college district shall be identified by the Chancellor of the California Community Colleges by February 23, 1983, and shall be reflected in the district's first principal apportionment for the 1982-83 fiscal year. The chancellor shall transmit the preliminary estimates to the Board of Governors of the California Community Colleges. The board of governors shall give maximum consideration to those districts which are currently experiencing financial difficulties and may adjust the fiscal reductions to be more or less than the amount determined for each district in subdivision (a). In no case shall the reduction be made on

a pro rata basis.

(c) The amount determined pursuant to subdivision (a) shall not be transferred by the Controller from the General Fund to Section B of the State School Fund, but shall instead be reverted to the unappropriated surplus of the General Fund by March 10, 1983.

SEC. 5. (a) From funds appropriated to Section B of the State School Fund for the 1982-83 fiscal year, a sum not to exceed three hundred fifty thousand dollars (\$350,000) is hereby appropriated for allocation to the Compton Community College District for the 1982-83 fiscal year as an emergency apportionment pursuant to Article 2 (commencing with Section 84309) of Chapter 3 of Part 50 of the Education Code.

(b) Notwithstanding Section 84310 of the Education Code, the apportionment of the funds appropriated in this section shall be made immediately. In compliance with the provisions of Section 84310 of the Education Code, the Compton Community College District shall submit revisions of audit reports and management plans prepared for the purpose of securing the emergency loan provided by Section 4 of Chapter 343 of the Statutes of 1982. The provisions of Section 84313 of the Education Code shall not apply to the emergency apportionment provided in this section. However, the Controller shall deduct the amount of the emergency apportionment made pursuant to the provisions of this section, together with interest determined pursuant to the provisions of Section 84313 of the Education Code, from the apportionment of state funds to be made to the Compton Community College District for the 1986-87 fiscal year.

(c) The effect of any deficit in the state general apportionments to community college districts in the 1982-83 fiscal year created by this reapportionment shall be excluded from the computation of community college district base revenues in the 1983-84 fiscal year.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit the changes in the law relating to the finances of community colleges to become effective and operative as soon as possible, and so facilitate the orderly and effective administration of the community colleges, it is necessary that this act take effect immediately.

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## CHAPTER 70

An act to amend repeal, and add Section 5733 of the Business and Professions Code, relating to auctioneers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1983. Filed with  
Secretary of State June 10, 1983.]

*The people of the State of California do enact as follows:*

**SECTION 1.** Section 5733 of the Business and Professions Code is amended to read:

5733. (a) Except as provided in subdivision (b), no individual may act as an auctioneer and no person may operate an auction house or an auction company without obtaining and having in full force and effect a valid license issued by the commission in accordance with this chapter.

(b) The requirements of this chapter shall not apply to:

(1) An auction of goods conducted by an individual who personally owns such goods and who did not acquire such goods for resale.

(2) An auction conducted by or under the direction of any public authority.

(3) An auction conducted pursuant to any judicial order or to the settlement of a decedent's estate.

(4) A sale conducted by or on behalf of any person, political candidate or party, church, charitable corporation, or association, if the individual conducting the sale receives no compensation and does not, by advertising or otherwise, hold himself or herself out as being available to engage in the sale of goods at auction.

(5) A sale of real estate.

(6) Automobile auctions regulated by the Department of Motor Vehicles. However a person acting as an auctioneer at any such auto auction shall hold a license as required by this chapter.

(7) An auction of livestock in any place designated by the Secretary of the United States Department of Agriculture as a stockyard pursuant to Section 202 of Chapter 9 of Title 7 of the United States Code. The exemption provided by this paragraph shall extend to persons acting as auctioneers at any such livestock auction.

This section shall be operative until July 1, 1985, and as of that date is repealed.

**SEC. 2.** Section 5733 is added to the Business and Professions Code, to read:

5733. (a) Except as provided in subdivision (b), no individual may act as an auctioneer and no person may operate an auction house or an auction company without obtaining and having in full force and effect a valid license issued by the commission in accordance with this chapter.

(b) The requirements of this chapter shall not apply to:

(1) An auction of goods conducted by an individual who personally owns such goods and who did not acquire such goods for resale.

(2) An auction conducted by or under the direction of any public authority.

(3) An auction conducted pursuant to any judicial order or to the settlement of a decedent's estate.

(4) A sale conducted by or on behalf of any person, political candidate or party, church, charitable corporation, or association, if the individual conducting the sale receives no compensation and does not, by advertising or otherwise, hold himself or herself out as being available to engage in the sale of goods at auction.

(5) A sale of real estate.

(6) Automobile auctions regulated by the Department of Motor Vehicles. However a person acting as an auctioneer at any such auto auction shall hold a license as required by this chapter.

This section shall become operative on July 1, 1985.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the provisions of this act take effect prior to the operative date of the Auctioneer and Auction Licensing Act which will take effect on July 1, 1983, it is necessary that this act take effect immediately.

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## CHAPTER 71

An act to amend Section 1251 of the Education Code, relating to schools.

[Approved by Governor June 10, 1983. Filed with  
Secretary of State June 10, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1251 of the Education Code is amended to read:

1251. The county superintendent of schools, with the approval of the county board of education, may enter into an agreement with a nonpublic institution of higher education, the governing board of any nonpublic school, a public agency, or a nonprofit public organization to provide for the use by the institution, agency, organization, or school of audiovisual curriculum materials, including equipment and apparatus, under the control of the county superintendent of schools, in the same manner as public schools pursuant to Section 1250 except as otherwise provided in this section.

The agreement shall, among other matters, provide for the amount of the payment to be made by the nonpublic institution of higher education, the governing board of any nonpublic school, a public agency, or a nonprofit public organization to the county superintendent of schools and the time payments shall be made. The payments made by the nonprofit institution of higher education, the

governing board of any nonpublic school, a public agency, or a nonprofit public organization that has entered into an agreement with the county superintendent of schools under this section shall be equal to the cost incurred by the county superintendent of schools in connection with the handling of, and the loss, destruction or damage to the audiovisual curriculum materials, including equipment and apparatus, by the nonpublic institution of higher education, the governing board of any nonpublic school, a public agency, or a nonprofit organization.

The governing board of any nonpublic school, a public agency, or nonprofit organization may withdraw from an agreement by giving notice six months prior to the beginning of the next fiscal year, and the agreement shall terminate on the last day of the then current fiscal year. The terms of an agreement may be changed by mutual consent at any time.

All funds received for the purposes of this section shall be deposited in the special equipment and apparatus fund of the county superintendent of schools authorized by Section 1250, and all expenditures made for the purposes of this section shall be made from that fund.

The audiovisual curriculum materials, including equipment and apparatus, shall be available for use by the nonpublic institution of higher education, the governing board of any nonpublic school, a public agency, or a nonprofit organization pursuant to this section only when such materials, including equipment and apparatus, are not needed by the public schools or the county superintendent of schools.

As used in this section, "nonpublic school" means a school that satisfies the requirements of Section 48222 and is exempt from taxation under Section 214 of the Revenue and Taxation Code.

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## CHAPTER 72

An act to amend Section 1827.5 of the Probate Code, relating to conservatorship.

[Approved by Governor June 13, 1983 Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1827.5 of the Probate Code is amended to read:

1827.5. (a) In the case of any proceeding to establish a limited conservatorship, within 30 days after the filing of a petition for limited conservatorship, a proposed limited conservatee, with his or her consent, shall be assessed at a regional center as provided in Chapter 5 (commencing with Section 4620) of Division 4.5 of the

Welfare and Institutions Code. The regional center shall submit a written report of its findings and recommendations to the court. The report shall include a description of the proposed limited conservatee's specific areas, nature, and degree of disability, if any. The findings and recommendations of the regional center are not binding upon the court.

(b) At least five days before the hearing on the petition, the regional center shall mail a copy of the report referred to in subdivision (a) to all of the following:

- (1) The proposed limited conservatee.
- (2) The attorney, if any, for the proposed limited conservatee.
- (3) If the petitioner is not the proposed limited conservatee, the attorney for the petitioner or the petitioner if the petitioner does not have an attorney.
- (4) Such other persons as the court orders.

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## CHAPTER 73

An act to amend Section 148 of the Penal Code, relating to peace officers.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 148 of the Penal Code is amended to read:

148. Every person who willfully resists, delays, or obstructs any public officer or peace officer, in the discharge or attempt to discharge any duty of his office, when no other punishment is prescribed, is punishable by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

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## CHAPTER 74

An act to amend Section 2954.1 of the Civil Code, relating to mortgages.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2954.1 of the Civil Code is amended to read:

2954.1. No lender or person who purchases obligations secured by real property, or any agent of such lender or person, who maintains

an impound, trust, or other type of account for the payment of taxes and assessments on real property, insurance premiums, or other purposes relating to such property shall do any of the following:

(a) Require the borrower or vendee to deposit in such account in any month an amount in excess of that which would be permitted in connection with a federally related mortgage loan pursuant to Section 10 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2609), as amended.

(b) Require the sums maintained in such account to exceed at any time the amount or amounts reasonably necessary to pay such obligations as they become due. Any sum held in excess of the reasonable amount shall be refunded within 30 days unless the parties mutually agree to the contrary. Such an agreement may be rescinded at any time by any party.

(c) Make payments from the account in a manner so as to cause any policy of insurance to be canceled or so as to cause property taxes or other similar payments to become delinquent.

Nothing contained herein shall prohibit requiring additional amounts to be paid into an impound account in order to recover any deficiency which may exist in the account.

Any person harmed by a violation of this section shall be entitled to sue to recover his or her damages or for injunctive relief; but such violation shall not otherwise affect the validity of the loan or sale.

This section applies to all such accounts maintained after the effective date of this act.

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## CHAPTER 75

An act to amend Section 25210.18 of, and to add Section 25210.1a to, the Government Code, relating to county service areas.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25210.1a is added to the Government Code, to read:

25210.1a. Land devoted primarily to agricultural, timber, or livestock uses and being used for the commercial production of agricultural, timber, or livestock products may be included in a county service area only if that land is contiguous to other land which is included within the described exterior boundaries of the county service area, and only if the board of supervisors finds that the land will be benefited by any of the types of services proposed to be provided within the area. That land may, however, be included in the county service area, if the owner requests its inclusion.

SEC. 2. Section 25210.18 of the Government Code is amended to  
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read:

25210.18. The hearing may be continued from time to time, but shall be completed within 30 days. At the conclusion of the hearing, the board shall find and determine the extent to which the services described in the resolution of intention are extended county services. After making the finding, the board may abandon the proposed establishment of the county service area or may, after passing upon all protests, determine to establish the area. If the board abandons the proposed establishment of the county service area, the county services found by the board to be extended county services shall not thereafter be provided to the area from general funds of the county. If the board determines to establish the area, it shall by resolution so declare and finally determine and establish the boundaries of the county service area and designate the types of services to be performed therein and adopt a resolution either:

- (a) Declaring the area finally established without an election; or
- (b) Declaring the area established, subject to confirmation by the voters of the proposed area on the question of establishment of the area.

In establishing the boundaries of the area, the board may alter the exterior boundaries of the area to include less territory than that described in the notice of the hearing but it may not include any territory not described in the notice of the hearing.

In designating the types of services to be performed in the county service area, the board may eliminate one or more of the types of services specified in the resolution of intention to establish the area but may not include any types of services not specified in the resolution of intention.

Upon the adoption of a resolution establishing an area without an election, the area is established for all purposes, subject only to compliance with the requirements of Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 and subject to the provisions of Article 2.5 (commencing with Section 25210.21).

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## CHAPTER 76

An act to add Section 72761 to the Government Code, relating to courts.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 72761 is added to the Government Code, to read:

72761. Notwithstanding Section 72400, the presiding judge of the Beverly Hills Municipal Court District may also appoint the



clerk-administrative officer, on an as-needed basis, to serve temporarily as traffic referee without additional compensation, provided he or she is a member of the State Bar of California.

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## CHAPTER 77

An act to amend Section 653 of the Probate Code, relating to probate.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 653 of the Probate Code is amended to read:

653. (a) If proceedings for the administration of the estate of a deceased spouse are pending at the time a petition described in Section 650 is filed or, if the proceedings are not pending and if the petition is not joined with a petition for probate of the will or administration of the estate of the deceased spouse, the clerk shall set the petition for hearing. At least 20 days prior to the date of the hearing on the petition, a notice of the hearing and a copy of the petition shall be personally served upon the following persons by the petitioner or mailed, postage prepaid, by the petitioner to the following persons, addressed to the addresses given in their request for special notice or notice of appearance, the addresses of their offices or places of residence, or, if neither of these addresses are known to the petitioner, the county seat of the county in which the proceedings are pending:

- (1) Any personal representative who is not the petitioner.
- (2) All legatees, devisees, and known heirs of the deceased spouse.
- (3) All persons or their attorneys who have requested special notice pursuant to Section 1202.
- (4) All persons or their attorneys who have given notice of appearance.
- (5) The Attorney General, addressed to the office of the Attorney General at Sacramento, California, if the petitioner bases the allegation that all or part of the estate of the deceased spouse is community property or quasi-community property passing to the surviving spouse upon the will of the deceased spouse and the will involves or may involve (i) a testamentary trust of property for charitable purposes other than a charitable trust with a designated trustee, resident in this state, or (ii) a bequest or devise for a charitable purpose without an identified legatee, devisee, or beneficiary.

(6) All other persons who are named in the will of the deceased spouse, if the petitioner bases the allegation that all or part of the estate of the deceased spouse is community property or

quasi-community property passing to the surviving spouse upon the will.

(b) Notwithstanding the provisions of subdivision (a), a copy of the petition is not required to be personally served upon or mailed to any of the persons specified therein if both of the following conditions are met:

(1) All of the decedent's property passes to the surviving spouse under the decedent's will.

(2) No contingencies in the decedent's will remain to be satisfied at the time of the filing of the petition.

The notice shall specify that paragraphs (1) and (2) are applicable to the estate that is the subject of the petition.

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## CHAPTER 78

An act to amend Sections 409 and 1250.150 of the Code of Civil Procedure, relating to lis pendens.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 409 of the Code of Civil Procedure is amended to read:

409. (a) In an action concerning real property or affecting the title or the right of possession of real property, the plaintiff, at the time of filing the complaint, and the defendant, at the time of filing a cross-complaint, or at any time afterwards, may record in the office of the recorder of the county in which the property is situated, a notice of the pendency of the action, containing the names of the parties, and the object of the action or cross-action, and a description of the property in that county affected thereby. This section authorizes a notice of an action concerning real property pending in any United States district court to be recorded and indexed in the same manner and in the same place as herein provided with respect to notices of action pending in courts of this state. From the time of filing such notice for record only, shall a purchaser or encumbrancer of the property affected thereby be deemed to have constructive notice of the pendency of the action as it relates to the real property and only of its pendency against parties designated by their real names.

(b) Except in actions brought under Title 7 (commencing with Section 1230.010) of Part 3, the person causing the notice of the pendency of the action to be recorded shall first cause a copy of the notice to be served upon the other party, by first class mail, return receipt requested, mailed to all known addresses of the adverse parties and all owners of record as shown by the county assessor's

office. A copy of the notice of the pendency of the action shall also be filed with the court in which the lawsuit is filed. Service shall also be made immediately upon each adverse party who is later brought into the action pursuant to Section 472 or 473.

(c) Any notice of the pendency of the action recorded pursuant to subdivision (a) shall be void and invalid as to any adverse party or owner of record, unless the requirements of subdivision (b) are met for the party or owner, and a proof of service, as set forth in Section 1013a, has been recorded with the notice of the pendency of the action. If there is no known address for service on an adverse party or owner as required under subdivision (b) above, then as to that party a declaration under penalty of perjury to such effect shall be recorded instead of the proof of service described above and the service on that party shall not be required.

SEC. 2. Section 1250.150 of the Code of Civil Procedure is amended to read:

1250.150. The plaintiff, at the time of the commencement of the proceeding, shall record a notice of the pendency of the proceeding in the office of the county recorder of any county in which property described in the complaint is located. A copy of the notice shall be served with the summons and complaint.

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## CHAPTER 79

An act to amend Sections 266h, 266i, and 1203.065 of the Penal Code, relating to sentencing and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 266h of the Penal Code is amended to read:

266h. Any person who, knowing another person is a prostitute, lives or derives support or maintenance in whole or in part from the earnings or proceeds of the person's prostitution, or from money loaned or advanced to or charged against that person by any keeper or manager or inmate of a house or other place where prostitution is practiced or allowed, or who solicits or receives compensation for soliciting for the person, is guilty of pimping, a felony, and is punishable by imprisonment in the state prison for three, four, or six years, or, where the person engaged in prostitution is under 16 years of age, is punishable by imprisonment in the state prison for three, six, or eight years.

SEC. 2. Section 266i of the Penal Code is amended to read:

266i. Any person who: (a) procures another person for the purpose of prostitution; or (b) by promises, threats, violence, or by

any device or scheme, causes, induces, persuades or encourages another person to become a prostitute; or (c) procures for another person a place as inmate in a house of prostitution or as an inmate of any place in which prostitution is encouraged or allowed within this state; or (d) by promises, threats, violence or by any device or scheme, causes, induces, persuades or encourages an inmate of a house of prostitution, or any other place in which prostitution is encouraged or allowed, to remain therein as an inmate; or (e) by fraud or artifice, or by duress of person or goods, or by abuse of any position of confidence or authority, procures another person for the purpose of prostitution, or to enter any place in which prostitution is encouraged or allowed within this state, or to come into this state or leave this state for the purpose of prostitution; or (f) receives or gives, or agrees to receive or give, any money or thing of value for procuring, or attempting to procure, another person for the purpose of prostitution, or to come into this state or leave this state for the purpose of prostitution, is guilty of pandering, a felony, and is punishable by imprisonment in the state prison for three, four, or six years, or, where the other person is under 16 years of age, is punishable by imprisonment in the state prison for three, six, or eight years.

SEC. 3. Section 1203.065 of the Penal Code is amended to read: 1203.065. (a) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any person convicted of violating subdivision (2) of Section 261, or Section 264.1, or Section 266h, or Section 266i, or Section 266j, or 289, or of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace or threat of great bodily harm or subdivision (c) of Section 311.4.

(b) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any person convicted of a violation of Section 220 for assault with intent to commit rape, sodomy, oral copulation or any violation of Section 264.1, subdivision (b) of Section 288, or Section 289.

When probation is granted, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(c) This section does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effect the denial of probation to those convicted of pimping or pandering at the earliest possible time, it is necessary that

this act take effect immediately.

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## CHAPTER 80

An act to amend Section 1224 of the Financial Code, relating to banks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1224 of the Financial Code is amended to read:

1224. (a) In addition to the limitations contained in Section 1221 a commercial bank may issue letters of credit and a commercial bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. A commercial bank shall not accept such drafts or bills in the aggregate to an amount exceeding 150 percent of the sum of its shareholders' equity, allowance for loan losses, capital notes, and debentures or, when authorized by the superintendent, to an amount exceeding 200 percent of the sum of its shareholders' equity, allowance for loan losses, capital notes, and debentures. A commercial bank shall not accept such drafts or bills for any one person to an amount exceeding 10 percent of the sum of its shareholders' equity, allowance for loan losses, capital notes, and debentures, unless the bank is and remains secured by either attached documents or some other actual security growing out of the same transaction as the acceptance.

(b) With respect to a bank which issues an acceptance, the limitations contained in this section shall not apply to that portion of an acceptance which is issued by such bank and which is covered by a participation agreement sold to another institution.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

On October 8, 1982, President Reagan signed into law the Export Trading Company Act of 1982, Pub. Law No. 97-290, 96 Stat. 1233. Section 207 of that act amends the seventh paragraph of Section 13 of the Federal Reserve Act (12 U.S.C. Sec. 372) to (1) increase the statutorily fixed limits imposed on Federal Reserve member banks' eligible acceptances, (2) to delete the requirement that shipping

documents conveying or securing title be attached to acceptances which grow out of transactions involving the domestic shipment of goods, and (3) to provide that the aggregate and single entity limitations imposed by the seventh paragraph do not apply to that portion of an acceptance which is issued by a member bank and which is covered by a participation agreement sold to another institution. This act would amend Section 1224 of the Financial Code to conform California law to the changes made in the federal law.

In order, therefore, to bring California law into conformity with federal law, it is necessary that this act take effect immediately.

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## CHAPTER 81

An act to amend Section 25209.6 of the Government Code, relating to health.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25209.6 of the Government Code is amended to read:

25209.6. The board of supervisors may take all necessary action on behalf of the county to participate as a health maintenance organization in Section 1876 of the Social Security Act (Public Law 92-603, Section 226), or Section 300(e) of Title 42 of the United States Code, or any other health maintenance organization provision under Title 18 or 19 of the Social Security Act, or any or all of such provisions, and to provide to its enrollees services in addition to those described in subsection (c), as provided in subsection (g) of Section 1876, including the establishment, receipt, segregation and use of prepayments by and for the benefit of enrollees, execution and performance of contracts, and authorization of the expenditure by the county of whatever funds may be required therefor. In connection with a program under this section, county funds may be expended to provide county supplementation of enrollee prepayment amounts, up to 100 percent of the full prepayment amount for persons or families who, in the judgment of the county, are not financially capable of making the full prepayment.

## CHAPTER 82

An act to add Section 65980.1 to the Government Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 65980.1 is added to the Government Code, to read:

65980.1. Notwithstanding Section 69580, for the purposes of Section 65974, interim facilities shall include leased residential dwellings used by the Lodi Unified School District for school purposes.

SEC. 2. Due to the unique circumstances concerning the school facilities in the Lodi Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Because of financial difficulties, the Lodi Unified School District needs the use of development fees to pay for additional interim facilities at the earliest possible time.

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CHAPTER 83

An act to amend Sections 16002 and 16607 of the Public Utilities Code, relating to public utility districts.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 16002 of the Public Utilities Code is amended to read:

16002. Each member of the board shall receive such compensation as the board by ordinance provides, not exceeding four thousand eight hundred dollars (\$4,800) a year.

SEC. 2. Section 16607 of the Public Utilities Code is amended to read:

16607. The expense of employing an expert shall not exceed fifteen thousand dollars (\$15,000) at any one time, to be paid out of

the income and revenues of the district, as the board prescribes.

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## CHAPTER 84

An act to amend Section 66452.50 of the Government Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1983 Filed with  
Secretary of State June 14, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 66452.50 of the Government Code is amended to read:

66452.50. (a) Notwithstanding any other provision of this division, a local agency may, upon application by a subdivider, in connection with the approval of a tentative or final map for the proposed construction of a condominium development, which requires the obtaining of a tentative or final map under provisions of this division or local ordinances enacted pursuant thereto, enter into a binding agreement with the subdivider mandating that the units be first made available for rental housing for a period of not less than 10 years from the date a certificate of occupancy has been issued for the units within the development; provided that (1) at the expiration of the 10-year period the units within the development may be sold to individual purchasers, in accordance with the approved final map authorizing the development without further proceedings under the provisions of this division or local ordinances enacted pursuant thereto, and (2), except as otherwise provided in subdivision (b), during the period the units are required to be made available for rental purposes, the units are insured or are to be insured or co-insured pursuant to the provisions of Chapter 4 (commencing with Section 51850) of Part 4 of Division 31 of the Health and Safety Code, and (3) each tenant of a unit within the development shall be given 180 days' written notice prior to actual conversion. Such notice shall include an offer of an exclusive right to contract for his or her respective unit upon the same terms and conditions that such unit will be initially offered to the general public or on terms more favorable to the tenant. The right shall run for a period of not less than 90 days from the date written notice of actual conversion was sent to the tenant.

Any such agreement shall be in writing, particularly describe the real property and set forth the name or names of the record title owner of the real property affected thereby, and be executed by the person authorized to act on behalf of the local agency and by the subdivider. From the date of execution of the agreement, it shall be binding upon the local agency, the subdivider, and their successors.



The fact that a condominium development is subject to such an agreement shall be set forth on the face of any tentative or final map approved by the local agency and the agreement shall be recorded in the office of the county recorder in the county in which the real property is located on or before the date of recordation of the final map.

(b) Multifamily rental housing financed on or after January 1, 1983, with the proceeds of sale of tax-exempt bonds sold pursuant to any laws of this state shall not be subject to the requirements of condition (2) prescribed in the first paragraph of subdivision (a), but shall be subject to all the requirements of the law pursuant to which the bonds are being issued, including, but not limited to, any requirement in such law that the housing be maintained as rental housing for a period in excess of 10 years.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to achieve successful financing of urgently needed multifamily rental housing developments in this state, it is frequently necessary to file a subdivision map allowing conversion to condominium units in order to assure or facilitate refinancing after a certain number of years under the terms of the project loan. Such conversion is required under federal tax law to be deferred for a given number of years and agreements so providing are a common requirement of the financing program.

Section 66452.50 of the Government Code, as added by Chapter 1447 of the Statutes of 1982, is susceptible to the construction that mortgage insurance under Chapter 4 (commencing with Section 51850) of Part 4 of Division 31 of the Health and Safety Code must be taken out in order to be able to enter into such an agreement. In order to allow the financing of urgently needed multifamily rental housing units to proceed without that insurance, it is essential that this act take effect immediately.

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## CHAPTER 85

An act to amend Sections 2842, 2847, and 2849 of the Business and Professions Code, relating to vocational nursing.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2842 of the Business and Professions Code is amended to read:

2842. Each member of the board shall be a citizen of the United

States and a resident of the State of California. Three members shall be duly licensed vocational nurses who have been licensed for a period of not less than three years prior to appointment; two members shall be licensed psychiatric technicians, each of whom shall have had not less than five years' experience in a psychiatric hospital, or in a psychiatric unit of a hospital licensed by the Department of Health Services, or a private institution licensed by the Department of Health Services; one member shall be a licensed vocational nurse or registered nurse who shall have had not less than five years' experience as a teacher or administrator in an accredited school of vocational nursing; and five members shall be public members who are not licentiates of the board or any other board under this division or of any board referred to in Sections 1000 and 3600.

No person may serve as a member of the board for more than two consecutive terms.

Per diem and expenses of members of the board who are licensed psychiatric technicians shall be paid solely from revenues received pursuant to the provisions of Chapter 10 (commencing with Section 4500) of Division 2.

SEC. 2. Section 2847 of the Business and Professions Code is amended to read:

2847. The board shall select an executive officer who shall perform such duties as are delegated by the board and who shall be responsible to it for the accomplishment of such duties.

The person selected to be the executive officer of the board shall be a duly licensed vocational nurse under the provisions of this chapter or a duly licensed professional nurse as defined in Section 2725 or a duly licensed psychiatric technician. The executive officer shall not be a member of the board.

With the approval of the Director of Finance, the board shall fix the salary of the executive officer.

The executive officer shall be entitled to traveling and other necessary expenses in the performance of his or her duties. He or she shall make a statement, certified before some duly authorized person, that the expenses have been actually incurred.

SEC. 3. Section 2849 of the Business and Professions Code is amended to read:

2849. Special meetings may be held at such times as the board may elect, or on the call of the president of the board, or of not less than five members thereof.

A written notice of the time, place, and object of any special meeting shall be mailed by the executive officer to all members of the board who are not parties to the call, at least 15 days before the day of the meeting.

## CHAPTER 86

An act to amend Section 14502 of, and to repeal Section 14502.5 of, the Government Code, relating to the California Transportation Commission.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14502 of the Government Code is amended to read:

14502. The commission shall consist of 11 members appointed as follows:

(a) Nine members, one of whom shall be a member of the Public Utilities Commission, shall be appointed by the Governor with the advice and consent of the Senate.

(b) No person appointed as a member pursuant to subdivision (a) shall simultaneously hold an elected public office, except a person who was serving as a member on January 1, 1983, and who, on that date, was an elected public official.

(c) One Member of the Senate appointed by the Senate Rules Committee and one Member of the Assembly appointed by the Speaker of the Assembly shall be ex officio members without vote and shall participate in the activities of the commission to the extent that such participation is not incompatible with their positions as Members of the Legislature.

SEC. 2. Section 14502.5 of the Government Code is repealed.

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CHAPTER 87

An act to amend Sections 18506 and 18538 of the Financial Code, relating to industrial loan companies.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18506 of the Financial Code is amended to read:

18506. No person shall advertise, print, display, publish, distribute or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to its membership in Thrift Guaranty Corporation of California or that any of its thrift obligations are in any manner guaranteed unless the amount of the guarantee fund is

in excess of one-half of 1 percent of the total outstanding thrift obligations of all members as shown on the most recent independent audit reports required by subdivision (a) of Section 18405 and without first obtaining the written approval of the commissioner. Except for any logo of Thrift Guaranty Corporation of California, such advertising shall only state the following:

“Accounts guaranteed to fifty thousand dollars (\$50,000) by Thrift Guaranty Corporation of California as provided under California law.”

SEC. 2. Section 18538 of the Financial Code is amended to read:

18538. In the event any member fails to pay an assessment when due, Guaranty Corporation shall report such default in writing to the commissioner and the defaulting member within 24 hours of such default and thereafter the rights and benefits of membership of such defaulting member in Guaranty Corporation shall be suspended and the defaulting member shall not be authorized to sell or issue its investment certificates in any form until all delinquent assessments are paid in full; provided, however, that the thrift obligations of the defaulting member shall continue to be protected as provided in this chapter. Within 30 days after default, Guaranty Corporation shall bring an action in law or in equity to enforce payment. If Guaranty Corporation does not bring such action within the time specified, the commissioner may bring an action in law or in equity to enforce such payment. Upon payment of all sums due, the member shall be reinstated and thereafter may sell and issue its investment certificates.

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## CHAPTER 88

An act relating to the validation of certain acts with regard to property taxation of taxing agencies and revenue districts and of their officers.

[Approved by Governor June 13, 1983 Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. As used in this act “taxing agency” includes the state, county, and city. “Taxing agency” also includes every district that assesses property for taxation purposes and levies taxes or assessments on the property so assessed.

SEC. 2. As used in this act “revenue district” includes every city and district for which the county officers assess property and collect taxes or assessments.

SEC. 3. Every act and proceeding heretofore taken by any taxing agency or revenue district or the officers thereof relative to preparing, transmitting, computing, determining, or fixing the

budget or the tax rate or rates of any taxing agency or revenue district, or to the assessment or equalization of property or to the levy of taxes thereon or to tax sales or certificates of tax sales, tax deeds, or other conveyances, are hereby confirmed, validated, and declared legally effective.

SEC. 4. (a) This act is limited to the correction of defects, irregularities, and ministerial errors which the Legislature originally could have omitted from the statutory requirements of law under which the acts hereby confirmed, validated, and declared legally effective were taken.

(b) This act is limited to the validating of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) This act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding, now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding or other matter which has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(d) Nothing in this act shall operate to make valid any property tax rate which is in excess of that permitted by law.

SEC. 5. If any provisions of this act or its application to any person or circumstances are held invalid, the remainder of the act and application of its provisions to other persons or circumstances is not affected.

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## CHAPTER 89

An act to amend Sections 14002, 14100, 14103, 14601, 14800, 14807, 14808, 14866, 14902, 14957, and 15154 of the Financial Code, relating to credit unions.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14002 of the Financial Code is amended to read:

14002. A credit union is a cooperative corporation, organized for the purposes of promoting thrift and savings among its members, creating a source of credit for them at rates of interest set by the board of directors, and providing an opportunity for them to use and control their own money on a democratic basis in order to improve their economic and social conditions. As a cooperative, a credit union conducts its business for the mutual benefit and general welfare of

its members with the earnings, savings, benefits, or services of the credit union being distributed to its members as patrons.

SEC. 2. Section 14100 of the Financial Code is amended to read:

14100. Credit unions shall be incorporated under this division in the same manner as corporations under the Nonprofit Mutual Benefit Corporation Law of this state, except as otherwise provided in this division.

SEC. 3. Section 14103 of the Financial Code is amended to read:

14103. The bylaws shall prescribe the manner in which the business of the credit union shall be conducted with reference to the following matters:

- (a) The purpose of the credit union.
- (b) The qualification for membership.
- (c) Determination of the month, time and place of the annual meeting; the manner of conducting meetings; the method by which members shall be notified of meetings; and the number of members which shall constitute a quorum.
- (d) The authorized number of directors, the number of directors necessary to constitute a quorum, and the powers and duties of officers elected by the directors.
- (e) The membership, powers, and duties of the supervisory committee.
- (f) The membership, powers, and duties of the credit committee or if applicable, the general powers, responsibilities and duties of the credit manager.
- (g) The conditions upon which shares may be issued, paid for, transferred and withdrawn.
- (h) The charges, if any, which may be imposed for failure to punctually meet obligations to the credit union.
- (i) The conditions upon which certificates may be issued and withdrawn.
- (j) The manner in which the funds of the credit union shall be employed.
- (k) The conditions upon which loans may be made and repaid.
- (l) The method of receipting for money paid on account of shares, certificates, or loans.
- (m) The manner in which the regular reserve shall be accumulated.
- (n) The manner in which dividends may be determined and paid to members.
- (o) The manner in which the bylaws may be amended.

SEC. 4. Section 14601 of the Financial Code is amended to read:

14601. No member of the credit committee or the credit manager or any loan officer shall serve as a member of the supervisory committee. Neither a credit manager nor any loan officer shall be a member of the board of directors.

SEC. 5. Section 14800 of the Financial Code is amended to read:

14800. (a) Every credit union may admit to membership those persons qualified for membership, as provided in the credit union

bylaws, upon payment of an entrance fee or the purchase of a share in the credit union.

(b) No officer, director, committee member, or employee of any credit union shall approve a person for admission to membership or admit an applicant for membership in the credit union or extend any benefit or service of the credit union to any person, either directly or indirectly, unless that person is admitted to membership in the credit union pursuant to subdivision (a).

(c) Nothing in subdivisions (a) and (b) shall be construed to limit the powers of a credit union to engage in joint service programs or business relationships for the benefit of their members where some incidental benefit may flow to third parties to the transaction or the authority for a credit union to engage in joint loan programs pursuant to the provisions of Section 14959.

SEC. 6. Section 14807 of the Financial Code is amended to read:

14807. Any member may withdraw from the credit union at any time. A withdrawing member shall give 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw certificates for funds unless a different period of notice is required by the commissioner for the withdrawal of shares or share certificates that may be established by the board of directors pursuant to Section 14862.

SEC. 7. Section 14808 of the Financial Code is amended to read:

14808. All amounts paid on shares or on certificates for funds of an expelled or withdrawn member, with any dividends or interest credited thereto to the date of withdrawal or expulsion, shall be paid to such members as funds become available, and after deducting all amounts due from the member to the credit union. Withdrawing or expelled members have no further rights in the credit union, but are not by expulsion or withdrawal released from any liability to the credit union or its creditors.

SEC. 8. Section 14866 of the Financial Code is amended to read:

14866. The evidence of credit union shares issued shall be a certificate, a passbook, a statement or other evidence approved by regulation of the commissioner. The evidence of any credit union shares shall not constitute an "investment security" under Division 8 (commencing with Section 8101) of the Commercial Code.

SEC. 9. Section 14902 of the Financial Code is amended to read:

14902. The directors of any credit union may, for the dividend period, declare dividends from its undivided profits as provided by law, but no credit union shall credit or pay any dividends or pay loan interest refunds to its members, until it has transferred to its regular reserve such part of its gross income as is required by Section 14700.

SEC. 10. Section 14957 of the Financial Code is amended to read:

14957. Whenever the directors, the credit committee, or if applicable, the credit manager, deem any loan unsafe, they may require additional security to be given by the borrower, and if such security is not furnished as required, they may declare the loan due and take action to collect the same.

SEC. 11. Section 15154 of the Financial Code is amended to read:  
15154. A credit union shall inform a depositor of the applicable period for the escheat of the account to the state and the circumstances under which escheat may occur pursuant to subdivision (b) of Section 1513 and Section 1513.5 of the Code of Civil Procedure at the time of furnishing the written statement described in subdivision (a) of Section 15152, and the information described in this section may be included in the written statement. The failure to provide information pursuant to this section shall not constitute a violation of Section 15152.

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## CHAPTER 90

An act to amend Section 26980 of the Government Code, relating to county officers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1983. Filed with  
Secretary of State June 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 26980 of the Government Code is amended to read:

26980. The board of supervisors of any county may establish the office of director of finance.

The board of supervisors shall submit to the electors of the county the question of whether the office of director of finance shall be established. If a majority of the voters voting on the question at such election favor the establishment of the office, the board of supervisors shall, by ordinance, create the office.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

County boards of supervisors wish to place cost-saving measures before the local electorate for their approval at the earliest possible time, therefore this act must take effect immediately.

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## CHAPTER 91

An act to amend Section 25123 of the Government Code, relating to ordinances, and declaring the urgency thereof, to take effect immediately.



[Approved by Governor June 15, 1983. Filed with  
Secretary of State June 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25123 of the Government Code is amended to read:

25123. All ordinances shall become effective 30 days from the date of final passage, except the following ordinances, which shall take effect immediately:

- (a) Those calling or otherwise relating to an election.
- (b) Those specifically required by this code or by any other law to take immediate effect.
- (c) Those fixing the amount of money to be raised by taxation, or the rate of taxes to be levied.
- (d) Those for the immediate preservation of the public peace, health, or safety, which shall contain a declaration of the facts constituting the urgency, and shall be passed by a four-fifths vote of the board of supervisors.
- (e) Those specifically relating to the adoption or implementation of a memorandum of understanding with an employee organization.
- (f) Those relating to salaries and other compensation of officers, other than elected officers, and employees.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that local ordinances affecting the salaries and wages of non-represented employees of a local agency, as well as those resulting from collective bargaining, may be given effect this year, it is necessary that this act take effect immediately.

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## CHAPTER 92

An act to amend Section 683 of the Civil Code, to amend, repeal and add Section 14854 of the Financial Code, and to amend Section 647 of, and to add Division 5 (commencing with Section 5100) to, the Probate Code, relating to nonprobate transfers.

[Approved by Governor June 15, 1983. Filed with  
Secretary of State June 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 683 of the Civil Code is amended to read:

683. (a) A joint interest is one owned by two or more persons in equal shares, by a title created by a single will or transfer, when expressly declared in the will or transfer to be a joint tenancy, or by transfer from a sole owner to himself or herself and others, or from

tenants in common or joint tenants to themselves or some of them, or to themselves or any of them and others, or from a husband and wife, when holding title as community property or otherwise to themselves or to themselves and others or to one of them and to another or others, when expressly declared in the transfer to be a joint tenancy, or when granted or devised to executors or trustees as joint tenants. A joint tenancy in personal property may be created by a written transfer, instrument, or agreement.

(b) Provisions of this section do not apply to a joint account in a financial institution if Part 1 (commencing with Section 5100) of Division 5 of the Probate Code applies to such account.

(c) Provisions of this section shall not restrict the creation of a joint tenancy in a bank deposit as provided for in the Bank Act.

SEC. 2. Section 14854 of the Financial Code, as amended by Chapter 6 of the Statutes of 1983, is amended to read:

14854. Shares or certificates for funds owned in joint tenancy, whether the joint tenants are minors or adults, and all dividends and interest thereon may be paid to any of the joint tenants during their lifetime or to the survivor or any one of the survivors of them after the death of one or more of the joint tenants. By written instructions of all joint tenants given to the credit union, the joint tenants may require the signatures of more than one of those persons during their lifetimes or of more than one of the survivors after the death of any one of them on any notice of withdrawal, request for withdrawal, check endorsement or receipt, in which case the credit union shall pay withdrawals, dividends, and interest only in accordance with those instructions, but those instructions shall not limit the right of the sole survivor or of all of the survivors to receive withdrawal payments, dividends, and interest. Payment as provided in this section and the receipt or acquittance by any joint tenant is a valid and sufficient release and discharge of the depository credit union for all payments made on account of shares or certificates for funds owned in joint tenancy prior to the receipt by the credit union of notice in writing from any one of them not to make payments in accordance with the terms of such shares or certificates for funds or of the written instructions. After receipt of the notice a credit union may refuse, without liability, to pay withdrawals, dividends, or interest pending a determination of the rights of the parties.

This section shall remain in effect until July 1, 1984, and on that date is repealed.

SEC. 3. Section 14854 is added to the Financial Code, to read:

14854. Subject to Section 14860, a credit union share account that is a multiple-party account, as defined in Section 5101 of the Probate Code, is governed by Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

SEC. 4. Section 647 of the Probate Code is amended to read:

647. For the purposes of this article:

(a) Any property or interest therein or lien thereon which, at the time of the decedent's death, was held by the decedent as joint

tenant, or in which the decedent had a life or other estate terminable upon the decedent's death, shall be excluded in determining the estate of the decedent or its value.

(b) A multiple-party account to which the decedent was a party at the time of the decedent's death shall be excluded in determining the estate of the decedent or its value, whether or not all or a portion of the sums on deposit are community property, to the extent that the sums on deposit belong after the death of the decedent to a surviving party, P.O.D. payee, or beneficiary. As used in this subdivision, the terms "multiple-party account," "party," "P.O.D. payee," and "beneficiary" have the meaning given those terms by Section 5101.

SEC. 5. Division 5 (commencing with Section 5100) is added to the Probate Code, to read:

## DIVISION 5. NONPROBATE TRANSFERS

### PART 1. MULTIPLE-PARTY ACCOUNTS

#### CHAPTER 1. SHORT TITLE AND DEFINITIONS

5100. This part may be cited as the California Multiple-Party Accounts Law.

5101. In this part, unless the context otherwise requires:

(a) "Account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit, share account, and other like arrangement.

(b) "Beneficiary" means a person named in a trust account as one for whom a party to the account is named as trustee.

(c) "Financial institution" means:

(1) Any organization authorized to do business under state or federal laws relating to credit unions.

(2) Any industrial loan company as defined in Section 18003 of the Financial Code.

(d) "Joint account" means an account payable on request to one or more of two or more parties whether or not mention is made of any right of survivorship.

(e) A "multiple-party account" is any of the following types of account: (1) a joint account, (2) a P.O.D. account, or (3) a trust account. It does not include: (1) accounts established for deposit of funds of a partnership, joint venture, or other association for business purposes, (2) accounts controlled by one or more persons as the duly authorized agent or trustee for a corporation, unincorporated association, charitable or civic organization, or (3) a regular fiduciary or trust account where the relationship is established other than by deposit agreement.

(f) "Net contribution" of a party to a joint account as of any given time is the sum of all deposits thereto made by or for the party, less

all withdrawals made by or for the party that have not been paid to or applied to the use of any other party, plus a pro rata share of any interest or dividends included in the current balance. The term includes, in addition, any proceeds of deposit life insurance added to the account by reason of the death of the party whose net contribution is in question. In the absence of proof otherwise, only parties who have a present right of withdrawal shall be considered as having a net contribution and the net contribution of each of the parties having a present right of withdrawal is deemed to be an equal amount.

(g) "Party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account. A P.O.D. payee or beneficiary of a trust account is a party only after the account becomes payable to the payee or beneficiary by reason of surviving the original payee or trustee. Unless the context otherwise requires, "party" includes a guardian, conservator, personal representative, or assignee, including a levying creditor, of a party. "Party" also includes a person identified as a trustee of an account for another whether or not a beneficiary is named, but it does not include any named beneficiary unless the beneficiary has a present right of withdrawal.

(h) "Payment" of sums on deposit includes withdrawal, payment on check or other directive of a party, and any pledge of sums on deposit by a party and any set-off, or reduction or other disposition of all or part of an account pursuant to a pledge.

(i) "P.O.D. account" means an account payable on request to one person during the person's lifetime and on the person's death to one or more P.O.D. payees, or to one or more persons during their lifetimes and on the death of all of them to one or more P.O.D. payees.

(j) "P.O.D. payee" means a person designated on a P.O.D. account as one to whom the account is payable on request after the death of one or more persons.

(k) "Proof of death" includes an original or attested or certified copy of a death certificate or record or report that is prima facie evidence of death under Section 10577 of the Health and Safety Code, Sections 1530 to 1532, inclusive, of the Evidence Code, or another statute of this state.

(l) A financial institution "receives" an order or notice under this part when it is received by the particular office or branch office of the financial institution where the account is carried.

(m) "Request" means a proper request for withdrawal, or a check or order for payment, that complies with all conditions of the account (including special requirements concerning necessary signatures) and regulations of the financial institution; but if the financial institution conditions withdrawal or payment on advance notice, for purposes of this part the request for withdrawal or payment is treated as immediately effective and a notice of intent to withdraw is treated as a request for withdrawal.

(n) "Sums on deposit" means the balance payable on a multiple-party account including interest, dividends, and in addition any deposit life insurance proceeds added to the account by reason of the death of a party.

(o) "Trust account" means an account in the name of one or more parties as trustee for one or more beneficiaries where the relationship is established by the form of the account and the deposit agreement with the financial institution and there is no subject of the trust other than the sums on deposit in the account. In a trust account, it is not essential that payment to the beneficiary be mentioned in the deposit agreement. A trust account does not include (1) a regular trust account under a testamentary trust or a trust agreement that has significance apart from the account or (2) a fiduciary account arising from a fiduciary relation such as attorney-client.

(p) "Withdrawal" includes payment to a third person pursuant to check or other directive of a party.

## CHAPTER 2. GENERAL PROVISIONS

5201. (a) The provisions of Chapter 3 (commencing with Section 5301) concerning beneficial ownership as between parties, or as between parties and P.O.D. payees or beneficiaries of multiple-party accounts, are relevant only to controversies between these persons and their creditors and other successors, and have no bearing on the power of withdrawal of these persons as determined by the terms of account contracts.

(b) The provisions of Chapter 4 (commencing with Section 5401) govern the liability of financial institutions who make payments pursuant to that chapter.

5202. Nothing in this part affects the law relating to transfers in fraud of creditors.

## CHAPTER 3. OWNERSHIP BETWEEN PARTIES AND THEIR CREDITORS AND SUCCESSORS

5301. (a) A joint account belongs, during the lifetime of all parties, to the parties in proportion to the net contributions by each to the sums on deposit, unless there is clear and convincing evidence of a different intent.

(b) A P.O.D. account belongs to the original payee during his or her lifetime and not to the P.O.D. payee or payees. If two or more parties are named as original payees, during their lifetimes the account belongs to them in proportion to the net contributions by each to the sums on deposit, unless there is clear and convincing evidence of a different intent.

(c) Unless a contrary intent is manifested by the terms of the account or the deposit agreement or there is other clear and convincing evidence of an irrevocable trust, a trust account belongs

beneficially to the trustee during his or her lifetime, and if two or more parties are named as trustee on the account, during their lifetimes the account belongs beneficially to them in proportion to the net contributions by each to the sums on deposit, unless there is clear and convincing evidence of a different intent. If there is an irrevocable trust, the account belongs beneficially to the beneficiary.

5302. (a) Sums remaining on deposit at the death of a party to a joint account belong to the surviving party or parties as against the estate of the decedent unless there is clear and convincing evidence of a different intention. If there are two or more surviving parties, their respective ownerships during lifetime shall be in proportion to their previous ownership interests under Section 5301 augmented by an equal share for each survivor of any interest the decedent may have owned in the account immediately before the decedent's death; and the right of survivorship continues between the surviving parties.

(b) If the account is a P.O.D. account:

(1) On death of one of two or more original payees, the rights to any sums remaining on deposit are governed by subdivision (a).

(2) On death of the sole original payee or of the survivor of two or more original payees, (A) any sums remaining on deposit belong to the P.O.D. payee or payees if surviving, or to the survivor of them if one or more die before the original payee, (B) if two or more P.O.D. payees survive, any sums remaining on deposit belong to them in equal and undivided shares unless the terms of the account or deposit agreement expressly provide for different shares, and (C) if two or more P.O.D. payees survive, there is no right of survivorship in the event of death of a P.O.D. payee thereafter unless the terms of the account or deposit agreement expressly provide for survivorship between them.

(c) If the account is a trust account:

(1) On death of one of two or more trustees, the rights to any sums remaining on deposit are governed by subdivision (a).

(2) On death of the sole trustee or the survivor of two or more trustees, (A) any sums remaining on deposit belong to the person or persons named as beneficiaries, if surviving, or to the survivor of them if one or more die before the trustee, unless there is clear and convincing evidence of a contrary intent, (B) if two or more beneficiaries survive, any sums remaining on deposit belong to them in equal and undivided shares unless the terms of the account or deposit agreement expressly provide for different shares, and (C) if two or more beneficiaries survive, there is no right of survivorship in event of death of any beneficiary thereafter unless the terms of the account or deposit agreement expressly provide for survivorship between them.

(d) In other cases, the death of any party to a multiple-party account has no effect on beneficial ownership of the account other than to transfer the rights of the decedent as part of the decedent's estate.

(e) A right of survivorship arising from the express terms of the account or under this section, a beneficiary designation in a trust account, or a P.O.D. payee designation, cannot be changed by will.

5303. (a) The provisions of Section 5302 as to rights of survivorship are determined by the form of the account at the death of a party.

(b) Once established, the terms of a multiple-party account can be changed only by any of the following methods:

(1) Closing the account and reopening it under different terms.

(2) Presenting to the financial institution a modification agreement that is signed by all parties with a present right of withdrawal. If the financial institution has a form for this purpose, it may require use of the form.

(3) If the provisions of the terms of the account or deposit agreement provide a method of modification of the terms of the account, complying with those provisions.

5304. Any transfers resulting from the application of Section 5302 are effective by reason of the account contracts involved and this part and are not to be considered as testamentary. The right under this part of a surviving party to a joint account, or of a beneficiary, or of a P.O.D. payee, to the sums on deposit on the death of a party to a multiple-party account shall not be denied, abridged, or affected because such right has not been created by a writing executed in accordance with the laws of this state prescribing the requirements to effect a valid testamentary disposition of property.

5305. (a) Notwithstanding Sections 5301 to 5303, inclusive, if parties to an account are married to each other, whether or not they are so described in the deposit agreement, their net contribution to the account is presumed to be and remain their community property.

(b) The presumption established by this section is a presumption affecting the burden of proof and may be rebutted by proof of either of the following:

(1) The sums on deposit that are claimed to be separate property can be traced from separate property unless it is proved that the married persons made an agreement that expressed their clear intent that such sums be their community property.

(2) The married persons made a written agreement, separate from the deposit agreement, that expressly provided that the sums on deposit, claimed not to be community property, were not to be community property.

(c) Notwithstanding subdivision (a), a right of survivorship arising from the express terms of the account or under Section 5302, a beneficiary designation in a trust account, or a P.O.D. payee designation, cannot be changed by will.

(d) Except as provided in subdivision (c), a multiple-party account created with community property funds does not in any way alter community property rights.

5306. For the purposes of this chapter, if a joint account was

established before July 1, 1984, and the account was established as a "tenancy in common" account, no right of survivorship arises from the terms of the account or under Section 5302.

#### CHAPTER 4. PROTECTION OF FINANCIAL INSTITUTION

5401. (a) Financial institutions may enter into multiple-party accounts to the same extent that they may enter into single-party accounts. Any multiple-party account may be paid, on request and according to its terms, to any one or more of the parties.

(b) The terms of the account or deposit agreement may require the signatures of more than one of the parties to a multiple-party account during their lifetimes or of more than one of the survivors after the death of any one of them on any check, check endorsement, receipt, notice of withdrawal, request for withdrawal, or withdrawal order. In such case, the financial institution shall pay the sums on deposit only in accordance with such terms, but those terms do not limit the right of the sole survivor or of all of the survivors to receive the sums on deposit.

(c) A financial institution shall not be required to inquire as to the source of funds received for deposit to a multiple-party account, or to inquire as to the proposed application of any sum withdrawn from an account, for purposes of establishing net contributions.

5402. Any sums in a joint account may be paid, on request and according to its terms, to any party without regard to whether any other party is incapacitated or deceased at the time the payment is demanded; but payment may not be made to the personal representative or heirs of a deceased party unless proof of death is presented to the financial institution showing that the decedent was the last surviving party or unless there is no right of survivorship under Section 5302.

5403. Any P.O.D. account may be paid, on request and according to its terms, to any original party to the account. Payment may be made, on request, to the P.O.D. payee or to the personal representative or heirs of a deceased P.O.D. payee upon presentation to the financial institution of proof of death showing that the P.O.D. payee survived all persons named as original payees. Payment may be made to the personal representative or heirs of a deceased original payee if proof of death is presented to the financial institution showing that the deceased original payee was the survivor of all other persons named on the account either as an original payee or as P.O.D. payee.

5404. Any trust account may be paid, on request and according to its terms, to any trustee. Unless the financial institution has received written notice that the beneficiary has a vested interest not dependent upon surviving the trustee, payment may be made to the personal representative or heirs of a deceased trustee if proof of death is presented to the financial institution showing that the deceased trustee was the survivor of all other persons named on the



account either as trustee or beneficiary. A trust account may be paid to a beneficiary or beneficiaries or the personal representative or heirs of a beneficiary or beneficiaries if proof of death is presented to the financial institution showing that the beneficiary or beneficiaries survived all persons named as trustees.

5405. (a) Payment made pursuant to Section 5401, 5402, 5403, or 5404 discharges the financial institution from all claims for amounts so paid whether or not the payment is consistent with the beneficial ownership of the account as between parties, P.O.D. payees, or beneficiaries, or their successors.

(b) The protection provided by subdivision (a) does not extend to payments made after the financial institution has been served with a court order restraining payment. No other notice or any other information shown to have been available to a financial institution shall affect its right to the protection provided by subdivision (a).

(c) Unless the notice is withdrawn, after receipt of a written notice from any party that withdrawals in accordance with the terms of the account should not be permitted, the financial institution may refuse, without liability, to pay any sums on deposit pending determination of the rights of the parties or their successors.

(d) The protection provided by this section has no bearing on the rights of parties in disputes between themselves or their successors concerning the beneficial ownership of funds in, or withdrawn from, multiple-party accounts and is in addition to, and not exclusive of, any protection provided the financial institution by any other provision of law.

5406. The provisions of this chapter that apply to the payment of a trust account apply to an account in the name of one or more parties as trustee for one or more other persons if the financial institution has no other or further notice that the account is not a trust account as defined in Section 5101.

5407. If a financial institution is required or permitted to make payment pursuant to this chapter to a person who is a minor:

(a) If the minor is a party to a multiple-party account, payment may be made to the minor or to the minor's order, and payment so made is a valid release and discharge of the financial institution, but this subdivision does not apply if the account is to be paid to the minor because the minor was designated as a P.O.D. payee or as a beneficiary of a trust account.

(b) In cases where subdivision (a) does not apply, payment shall be made as provided in Chapter 2 (commencing with Section 3400) of Part 8 of Division 4.

SEC. 6. (a) A financial institution has no duty to inform any of the following of the enactment of Division 5 (commencing with Section 5100) of the Probate Code:

(1) Any depositor holding an account on the operative date of Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

(2) Any beneficiary named in a trust account on the operative

date of Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

(3) Any P.O.D. payee designated on a P.O.D. account on the operative date of Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

(b) No liability shall be imposed on a financial institution for failing to inform any person described in subdivision (a) of the enactment of Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

SEC. 7. Sections 1, 3, 4, 5, and 6 of this act shall become operative on July 1, 1984, and shall apply to accounts in existence on that date, and accounts thereafter established, in financial institutions as defined in Section 5101 of the Probate Code.

SEC. 8. Section 2 of this act shall become operative on January 1, 1984.

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## CHAPTER 93

An act to add Sections 14820 and 14821 to, and to repeal Section 14813 of, the Financial Code, relating to credit unions.

[Approved by Governor June 15, 1983. Filed with  
Secretary of State June 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14813 of the Financial Code is repealed.

SEC. 2. Section 14820 is added to the Financial Code, to read:

14820. (a) Any member of a credit union may authorize another person or persons to act by proxy with respect to such membership, subject to subdivision (e). Any proxy purported to be executed in accordance with this part shall be presumptively valid.

(b) No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three years from the date of execution. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in this section. Such revocation may be effected by a writing delivered to the corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting, or as to any meeting by attendance at such meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

(c) A proxy is not revoked by the death or incapacity of the maker or the termination of a membership as a result thereof unless, before

the vote is counted, written notice of such death or incapacity is received by the corporation.

(d) Notwithstanding subdivisions (b) and (c), whenever any credit union which is subject to the provisions of this division is insolvent or its capital is impaired, or, when the commissioner determines that a credit union is in danger of insolvency or an impairment of its capital and the board of the directors of the credit union presents a reorganization plan to the commissioner and such plan is approved, the board of directors may, subject to the provisions of this division, solicit irrevocable proxies for a proxyholder who qualifies pursuant to this section. Unless otherwise provided in the articles or bylaws, the proxy of a member which states that it is irrevocable is irrevocable for the period specified therein when it is held by any of the following or a nominee of any of the following:

(1) A person who has purchased or who has agreed to purchase the membership.

(2) A creditor or creditors of the credit union who extended or continued credit or contracted to perform services to the corporation in consideration of the proxy if the proxy states that it was given in consideration of the extension or continuation of credit or services and the name of the person extending or continuing the credit or performing the service.

(3) A person who has contracted to perform services as an employee of the credit union, if the proxy is required by the contract of employment and if the proxy states that it was given in consideration of such contract of employment, the name of the employee, and the period of employment for which the employee has contracted.

Notwithstanding the period of irrevocability specified, the proxy becomes revocable when the agreement to purchase is terminated, the debt of the credit union or the member is paid, or the period of employment provided for in the contract of employment or the contract to perform services has terminated. In addition to paragraphs (1) through (3), a proxy of a member may be made irrevocable notwithstanding subdivision (c) if it is given to secure the performance of a duty or to protect a title, either legal or equitable, until the happening of events which by its terms, discharge the obligations secured by it.

(e) Subdivision (a) notwithstanding:

(1) No amendment of the articles or bylaws repealing, restricting, creating or expanding proxy rights may be adopted without approval by the members.

(2) No amendment of the articles or bylaws restricting or limiting the use of proxies may affect the validity of a previously issued irrevocable proxy during the term of its irrevocability, so long as it complied with applicable provisions, if any, of the articles or bylaws at the time of issuance, and is otherwise valid under this section.

(f) Anything to the contrary notwithstanding, any revocable proxy covering matters requiring a vote of the members pursuant to

Section 7222, Section 7224, Section 7233, Section 7812, paragraph (2) of subdivision (a) of Section 7911, Section 8012, subdivision (a) of Section 8015, Section 8610, or subdivision (a) of Section 8719 of the Nonprofit Mutual Benefit Corporation Law, Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code, or subdivision (e) is not valid as to such matters unless it sets forth the general nature of the matter to be voted on.

SEC. 3. Section 14821 is added to the Financial Code, to read:

14821. (a) Any form of proxy or written ballot distributed to 10 or more members of a credit union with 100 or more members shall afford an opportunity on the proxy or form of written ballot to specify at the time the written ballot or proxy is distributed, a choice between approval and disapproval of each matter or group of related matters intended to be acted upon at the meeting for which the proxy is solicited or by such written ballot, and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

(b) In any election of directors, any form of proxy or written ballot in which the directors to be voted upon are named therein as candidates and which is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

(c) Failure to comply with this section shall not invalidate any corporate action taken, but may be the basis for challenging any proxy at a meeting or written ballot and the superior court may compel compliance therewith at the suit of any member.

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## CHAPTER 94

An act to amend Sections 5300, 5301, 5302, 5303, and 5304 of the Financial Code, relating to savings and loan associations and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1983 Filed with  
Secretary of State June 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5300 of the Financial Code is amended to read:

5300. (a) To meet the operating costs and expenses provided for in this division, for the payment of which no provision is otherwise made, the commissioner shall require each association doing business in this state to pay in advance an annual assessment for its pro rata share of all operating costs and expenses as estimated by the commissioner for the ensuing year.

(b) As used in this article, "association" includes a foreign association doing business in this state under an approval issued by the commissioner.

SEC. 2. Section 5301 of the Financial Code is amended to read:

5301. The proportion of operating costs and expenses to be assessed against each association shall be determined and prescribed by the commissioner by regulation. The total amount assessed for all associations together with any existing surplus shall not exceed the amount of the budget for the ensuing fiscal year plus a reasonable reserve for contingencies.

SEC. 3. Section 5302 of the Financial Code is amended to read:

5302. (a) On or before the 20th day of June of each year the commissioner shall notify each association by mail of the amount assessed and levied against it.

(b) Except as provided in this article, each association shall pay one-half of the amount assessed so as to be received by the commissioner not later than the 10th day of July and pay the remainder so as to be received by the commissioner not later than the following 10th day of January. There shall be no rebate or refund of an assessment if an association ceases to be an association by reason of merger, consolidation, conversion, acquisition of assets or similar type transaction during a fiscal year.

(c) If payment is not received by the commissioner on time, the commissioner shall assess and collect in addition to the annual assessment, a penalty of 5 percent of the unpaid assessment for each month or part of a month that the payment is delinquent.

SEC. 4. Section 5303 of the Financial Code is amended to read:

5303. (a) If a new domestic association is formed and licensed during a fiscal year, the initial assessment provided for by this article shall be computed on the same basis as if such new association had been a licensed association and assessed on or before the 20th day of June in the fiscal year preceding the initial assessment except that the initial assessment shall be based on the assets of the new association at the time of issuance of its license and, except as provided in subsection (b) hereof, the assessment shall be reduced, if the license is not issued in July, by one-twelfth for each full month of the fiscal year which has expired at the time of issuance of the license and shall be payable in full on the date of the issuance of the license.

(b) In the levy and collection of an assessment under this article, no association shall be assessed for, nor be permitted to pay less than five hundred dollars (\$500) for the unexpired portion of the fiscal year in which such domestic association is formed.

SEC. 5. Section 5304 of the Financial Code is amended to read:

5304. If any domestic association proposes to acquire the assets of any federal savings and loan association or any state or national bank by transfer, conversion, or otherwise, the initial assessment provided for by this article shall be computed on the same basis as if such federal savings and loan association or state or national bank had

been a state association and assessed on or before the 20th day of June in the fiscal year preceding the initial assessment, except that the initial assessment shall be based on the assets of the federal savings and loan association or of the state or national bank, as shown by the institution's report to the Federal Home Loan Bank, the Superintendent of Banks, or the Comptroller of the Currency, respectively, next preceding the 20th day of June in the fiscal year preceding the initial assessment and the assessment shall be reduced, if the license is not issued in July, by one-twelfth for each full month of the fiscal year which has expired at the time of the issuance of the license and shall be payable in full on the date of the issuance of the license.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is necessary that this act take effect at the earliest possible date in order to facilitate budget planning for fiscal year 1983-84 by the Department of Savings and Loan. Conversion of several large savings and loan associations from state license to federal charter has diminished the asset base upon which assessments supporting the department are predicated. In order to maintain the department's independent existence and preserve its attention to assuring association compliance with state laws and regulations, including those involving consumer protection and antidiscrimination, as well as to monitor continued financial growth and safety of these institutions consistent with public need and convenience, and to protect the funds deposited with these associations to assure that the saving and borrowing public are properly and legally served, it is essential that this act take effect immediately.

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## CHAPTER 95

An act to amend Sections 477, 2221, and 2222 of, to add Chapter 5 (commencing with Section 496) to Division 1.5 of, and to repeal and add Section 2185 of, the Business and Professions Code, relating to businesses and professions.

[Approved by Governor June 15, 1983. Filed with  
Secretary of State June 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 477 of the Business and Professions Code is amended to read:

477. As used in this division: (a) "board" includes "bureau," "commission," "committee," "department," "division," "examining committee," and "agency."

(b) "License" includes certificate, registration or other means to engage in a business or profession regulated by this code.

SEC. 2. Chapter 5 (commencing with Section 496) is added to Division 1.5 of the Business and Professions Code, to read:

#### CHAPTER 5. EXAMINATION SECURITY

496. A board may deny, suspend, revoke or otherwise restrict a license on the ground that an applicant or licensee has subverted or attempted to subvert any licensing examination or the administration of an examination, including but not limited to:

(a) Conduct which violates the security of the examination materials; removing from the examination room any examination materials; the unauthorized xerographic, photographic or other mechanical reproduction of any portion of the actual licensing examination; aiding by any means the unauthorized xerographic, photographic or other mechanical reproduction of any portion of the actual licensing examination; paying or using professional or paid examination-takers for the purpose of reconstructing any portion of the licensing examination; obtaining examination questions or other examination material, except by specific authorization either before, during or after an examination or use or purport to use any examination questions or materials which were improperly removed or taken from any examination for the purpose of instructing or preparing applicants for examinations; or selling, distributing, buying, receiving or having unauthorized possession of any portion of a future, current or previously administered licensing examination.

(b) Conduct which violates the standard of examination administration; communicating with any other examinee during the administration of a licensing examination; copying answers from another examinee or permitting one's answers to be copied by another examinee; having in one's possession during the administration of the licensing examination any books, equipment, notes, written or printed materials or data of any kind, other than the examination materials distributed, or otherwise authorized to be in one's possession during the examination; or impersonating any examinee or having an impersonator take the licensing examination on one's behalf.

497. Whenever any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of any provision of this chapter, the superior court in and for the county wherein the acts or practices take place, or are about to take place, may issue an injunction, or other appropriate order, restraining such conduct on application of a board, the Attorney General or the district attorney of the county.

The proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure.

The remedy provided for by this section shall be in addition to, and not a limitation on, the authority provided for in any other provision of this code.

SEC. 3. Section 2185 of the Business and Professions Code is repealed.

SEC. 4. Section 2185 is added to the Business and Professions Code, to read:

2185. An applicant for a physician's and surgeon's certificate who fails to pass the examination shall either be reexamined in the entire examination and obtain a passing score, or be reexamined in the part, or parts, failed and successfully pass each part of the examination with a score of at least 75 percent.

SEC. 5. Section 2221 of the Business and Professions Code is amended to read:

2221. The Division of Licensing may deny a physician's and surgeon's certificate to any applicant guilty of unprofessional conduct or of any cause that would subject a licensee to revocation or suspension of license; or, the division in its sole discretion, may issue a probationary certificate to an applicant subject to terms and conditions, including, but not limited to, any of the following conditions of probation: (1) practice limited to a supervised, structured environment where the licensee's activities shall be supervised by another physician; (2) total or partial restrictions on drug prescribing privileges for controlled substances; (3) continuing medical or psychiatric treatment; (4) ongoing participation in a specified rehabilitation program; (5) enrollment and successful completion of a clinical training program; (6) abstention from the use of alcohol or drugs; (7) restrictions against engaging in certain types of medical practice; and (8) compliance with all provisions of this chapter.

Enforcement and monitoring of the probationary conditions shall be under the jurisdiction of the Division of Medical Quality which may initiate disciplinary proceedings to revoke or suspend the probationary license for any violation of probation. Upon satisfactory completion of probation, the Division of Licensing shall convert the probationary certificate to a regular certificate free from conditions.

SEC. 6. Section 2222 of the Business and Professions Code is amended to read:

2222. The Podiatry Examining Committee shall enforce and administer the provisions of this article as to podiatry certificate holders. The committee may order the denial of an application or issue a certificate subject to conditions as set forth in Section 2221, or order the revocation, suspension, or other restriction of, or the modification of such penalty, and the reinstatement of any podiatrist's certificate within its authority as granted by this chapter. For these purposes the committee shall exercise the powers granted in this chapter.



## CHAPTER 96

An act to amend Sections 6461 and 6463 of the Streets and Highways Code, relating to the Improvement Act of 1911.

[Approved by Governor June 15, 1983. Filed with  
Secretary of State June 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6461 of the Streets and Highways Code is amended to read:

6461. The bonds shall:

- (a) Be payable to the party to whom they issue, or to order.
- (b) Be serial bonds.
- (c) Bear interest at the rate specified in the resolution of intention to do the work, unless the legislative body finds that a lesser rate of interest is appropriate at the time of advertising for construction bids, in which case a lesser interest rate may be specified in the construction bid advertisements.

- (d) Have annual principal coupons attached to them, payable in annual order, on the second day of January of every year after the next September 1st following the date of the bond, until all are paid. Each principal coupon shall be for an even annual proportion of the principal of the bond.

- (e) Have semiannual interest coupons attached to them.

SEC. 2. Section 6463 of the Streets and Highways Code is amended to read:

6463. The interest shall be payable semiannually, by coupon, on the second days of January and July, respectively, of each year after the date of the bonds. The bonds shall bear the date of the 31st day after the date of recordation of the warrant, whether or not the date falls on a Sunday or holiday. The first interest coupon shall be for interest from the date of the bonds and shall be payable to the holder thereof on the January 2nd next succeeding the September 1st or the July 2nd next succeeding the March 1st, as the case may be, next following the date of the bond. The rate of interest shall not exceed the interest rate established by Section 53531 of the Government Code as that section reads at the time of the adoption of the resolution of intention by the legislative body pursuant to Section 5132.

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CHAPTER 97

An act to amend Section 17804 of the Business and Professions Code, relating to marriage, family and child counselors.

[Approved by Governor June 15, 1983 Filed with  
Secretary of State June 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17804 of the Business and Professions Code is amended to read:

17804. To qualify for a license an applicant shall have all the following qualifications:

(a) (1) At least a two-year master's degree in marriage, family, and child counseling or a master's degree in counseling psychology, or their equivalent, obtained from a school, college or university accredited by the Western College Association, the Northwest Association of Secondary and Higher Schools, or an essentially equivalent accrediting agency as determined by the board. Equivalent degrees include, but are not limited to, the master's degree in social work from a school accredited by the Council on Social Work Education and the master's degree in child development and family studies.

(2) After September 1, 1978, an applicant shall have a doctor's or a two-year master's degree in marriage, family, and child counseling or a master's degree in social work, clinical psychology, counseling, or a degree determined by the board to be equivalent. Such degree shall be obtained from a school, college, or university accredited as provided in paragraph (1) of subdivision (a).

(b) Must be at least 18 years of age.

(c) At least two years' experience, in interpersonal, relationship, marriage, family and child counseling and psychotherapy under the supervision of a licensed marriage, family and child counselor, licensed clinical social worker, licensed psychologist, or licensed physician certified in psychiatry, or the equivalent as determined by the board. All experience shall be at all times under the supervision of the supervisor who shall, with the person being supervised, be responsible for insuring that the extent, kind and quality of counseling performed is consistent with the training and experience of the person being supervised, and who shall be responsible to the board for the compliance of all laws, rules and regulations governing the practice of marriage, family and child counseling. Supervision shall include at least one hour of direct supervision for each week of experience claimed. Any person supervising another pursuant to this subdivision shall have been licensed or certified for at least two years prior to acting as a supervisor, except this requirement shall not affect any supervisory relationship in existence on December 31, 1983. The board may prescribe by regulation such other qualifications for supervisors as it deems appropriate.

(d) The applicant shall pass a written examination conducted by the board or persons designated by the board and shall pass an oral examination if required in the discretion of the board for all applicants.

(e) Must not have committed acts or crimes constituting grounds for denial of licensure under Section 480.

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## CHAPTER 98

An act to amend Section 35012 of, and to repeal Section 35012.1 of the Government Code, relating to municipal annexation.

[Approved by Governor June 15, 1983 Filed with  
Secretary of State June 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 35012 of the Government Code is amended to read:

35012. Notwithstanding the provisions of Section 35011, upon approval of the commission a city may annex noncontiguous territory not exceeding 300 acres in area, which is located in the same county as that in which the city is situated, and which is owned by the city and is being used for municipal purposes at the time preliminary proceedings are initiated pursuant to Chapter 2 (commencing with Section 35100) of this part. If, after the completion of the annexation, the city sells such territory or any part thereof, all such territory which is no longer owned by the city shall cease to be a part of the city.

If territory is annexed pursuant to this section, the annexing city may not annex any territory not owned by it and not contiguous to it although such territory is contiguous to the territory annexed pursuant to this section.

Notwithstanding any other provision of this section to the contrary, a city which annexes territory pursuant to this section may annex additional territory which is owned by the United States government or the State of California and which is contiguous to such first annexed territory if the total acreage of the first annexed and the subsequently annexed territory together does not exceed 300 acres in area. If after the completion of such subsequent annexation, the city sells all or any part of such first annexed territory, the subsequently annexed territory shall cease to be part of the city if it is no longer contiguous to territory owned by the city.

When territory ceases to be part of a city pursuant to this section, the legislative body of the city shall adopt a resolution confirming such detachment. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make such filing as is provided for by Chapter 4 (commencing with Section 35350).

If territory annexed to a city pursuant to this section becomes contiguous to such city, the limitations imposed by this section shall

cease to apply.

SEC. 2. Section 35012.1 of the Government Code is repealed.

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## CHAPTER 99

An act to amend Sections 2238, 2258, 2269, 2282, and 2355 of the Civil Code, and to amend Sections 733, 772, 851.5, and 902 of, and to repeal Section 657 of, the Probate Code, relating to fiduciaries.

[Approved by Governor June 15, 1983 Filed with  
Secretary of State June 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2238 of the Civil Code is amended to read:

2238. (a) A trustee who uses or disposes of the trust property in any manner not authorized by the trust, but in good faith, and with intent to serve the interests of the beneficiary, is liable only to make good whatever is lost to the beneficiary by his or her error.

(b) A trustee who uses or disposes of the trust property in any manner not authorized by the trust but in compliance with subdivision (b) of Section 2258 shall not be liable to the beneficiary.

SEC. 2. Section 2258 of the Civil Code is amended to read:

2258. (a) A trustee must fulfill the purpose of the trust, as declared at its creation, and must follow all the directions of the trustor given at that time, except as modified by the consent of all parties interested, in the same manner, and to the same extent, as an employee.

(b) With respect to a revocable trust, the trustee shall follow all written directions acceptable to the trustee given from time to time to the trustee by the person or persons then having the power to revoke the trust or that portion thereof with respect to which the direction is given or by the person or persons other than the trustee to whom the trustor delegates the right to direct the trustee. In acceding to and carrying out such direction, the trustee shall incur no liability to any person having a vested or contingent interest in the trust and may follow such instructions regardless of any fiduciary obligations to which the directing party may also be subject.

SEC. 3. Section 2269 of the Civil Code is amended to read:

2269. (a) Except as provided in subdivision (c), a discretionary power conferred upon a trustee is presumed not to be left to his or her arbitrary discretion, but shall be exercised reasonably.

(b) The exercise of a discretionary power is subject to review by a court of competent jurisdiction.

(c) Subject to the additional requirements of subdivision (d), where a trust instrument confers absolute, sole, or uncontrolled discretion upon a trustee, the trustee shall act in accordance with fiduciary principles and shall not act in bad faith or in disregard of

the purposes of the trust.

(d) Notwithstanding the trustor's use of terms such as "absolute", "sole", or "uncontrolled", a person who is a beneficiary of a trust and who, either individually or as trustee or cotrustee, holds a power to take or distribute income or principal to or for the benefit of himself or herself pursuant to a standard shall exercise that power reasonably and in accordance with the standard. In any case in which the standard governing the exercise of the power does not clearly indicate that a broader power is intended, such a holder of the power may exercise it in his or her favor only for his or her health, education, support, or maintenance, and the exercise of the power shall be subject to review by a court of competent jurisdiction.

(e) Unless specifically so authorized, a person who holds a power to appoint or distribute income or principal to or for the benefit of others, either individually or in a fiduciary capacity, may not use the power to discharge his or her legal obligations.

SEC. 4. Section 2282 of the Civil Code is amended to read:

2282. A trustee can be discharged from his or her trust only as follows:

(a) By the extinction of the trust.

(b) By the completion of his or her duties under the trust.

(c) By such means as may be prescribed by the declaration of trust.

(d) By the consent of the beneficiary, if the beneficiary has capacity to contract.

(e) By the superior court.

SEC. 5. Section 2355 of the Civil Code is amended to read:

2355. An agency is terminated, as to every person having notice thereof, by any of the following:

(a) The expiration of its term.

(b) The extinction of its subject.

(c) The death of the agent.

(d) The agent's renunciation of the agency.

(e) The incapacity of the agent to act as such.

(f) The divorce, dissolution, annulment, or adjudication of the nullity of marriage of, or the judicial or legal separation of, principal and attorney in fact, or commencement by the attorney in fact of an action for such relief, in the case of a power of attorney, if the attorney in fact was the spouse of the principal, and the principal has become an absentee as defined in Section 1403 of the Probate Code, unless the power of attorney expressly provides otherwise in writing.

SEC. 6. Section 657 of the Probate Code, as amended by Section 9 of Chapter 1535 of the Statutes of 1982, is repealed.

SEC. 7. Section 733 of the Probate Code is amended to read:

733. For claims based upon written contract the rate of interest specified in the contract shall be paid in accordance with the terms thereof until the claim is paid in full. No greater rate of interest shall be paid upon any other claim after its allowance by the administrator or executor and its approval by the judge than 10 percent per annum;

and if the estate is insolvent, no greater rate of interest shall be paid upon any debt, from the time of the first publication of notice to creditors, than is allowed upon judgments. If any debt of the decedent bears interest, whether filed or presented or not, the executor or administrator, by order of the court, may pay the amount then accumulated and unpaid, or any part thereof, at any time when there are sufficient funds properly applicable thereto, whether the claim be then due or not; and interest shall thereupon cease to accrue upon the amount so paid.

SEC. 8. Section 772 of the Probate Code is amended to read:

772. Except as provided in Sections 757, 770, and 771, personal property may be sold only after notice posted at the courthouse of the county in which the proceedings are pending at least 10 days before the sale or, in case of a private sale, at least 10 days before the day on or after which the sale is to be made; or by publication pursuant to Section 6063a of the Government Code in a newspaper in such county, or by both, as the executor or administrator may determine. If it is shown that it will be for the best interests of the estate, the court may shorten the time of notice to no less than five days, and such notice must then be posted, or published pursuant to Section 6061 of the Government Code in the county in which the proceedings are pending, at least five days before the sale, or, in the case of a private sale, at least five days before the day on or after which the sale is to be made. Notice given pursuant to this section shall contain the time and place of sale, and a brief description of the property to be sold and stating whether the sale is to be a private or public sale. In case of a private sale the notice must state a place at which bids or offers will be received and a day on or after which the sale will be made and the sale must not be made before that day but must be made within one year thereafter. Public sales, must be made at the courthouse door, or at some other public place, or at the residence of the decedent; but no public sale shall be made of any personal property which is not present at the time of sale, unless the court shall otherwise order. A public sale may be postponed from time to time if the executor or administrator deems it for the interests of all persons concerned, such postponement not to exceed in all three months. In case of such postponement, notice thereof must be given by public declaration at the time and place appointed for the sale.

Title to tangible personal property sold at public sale passes upon receipt of the purchase price and delivery of the property to the buyer but the executor or administrator is responsible for the actual value of the property unless, after making a sworn return, and on proper showing, the court shall approve the sale.

SEC. 9. Section 851.5 of the Probate Code is amended to read:

851.5. If a person dies in possession of, or holding title to, real or personal property which, or some interest in which, is claimed to belong to another, or dies having a claim to real or personal property, title to or possession of which is held by another, the executor,

administrator, or any claimant may file with the clerk of the court a verified petition setting forth the facts upon which the claim is predicated. Thereupon the clerk shall set the petition for hearing by the court and give notice thereof for the period and in the manner required by Section 1200. The petitioner shall cause notice of the hearing and a copy of the petition to be mailed to the executor or administrator (if not the petitioner) and all known heirs, legatees and devisees at their last known addresses, as provided in Section 1200, whether they have requested special notice or given notice of appearance or not. The petitioner shall also cause notice of the hearing and a copy of the petition to be served in accordance with Title 5 (commencing with Section 410.10) of Part 2 of the Code of Civil Procedure on any other person who may have an interest in the property which is the subject of the petition, at least 30 days prior to the date set for hearing. Any interested person may request time for filing a response to the petition, for discovery proceedings, or for other preparation for such hearing and the court shall grant a continuance for a reasonable time for any of such purposes. Notice of pendency of such proceeding may be filed pursuant to Section 409 of the Code of Civil Procedure. Any person having or claiming title to or an interest in the property which is the subject of the petition, at or prior to the hearing, may object to the hearing of the petition if the petition is filed in a court which is not the proper court under any other provision of law for the trial of a civil action seeking the same relief and, if such objection be established, the court shall not grant the petition. If a civil action is pending in respect to the subject matter of a claim filed pursuant to this section and jurisdiction has been obtained in the court where the civil action is pending prior to the filing of such claim the court shall abate the petition until the conclusion of the civil action.

SEC. 10. Section 902 of the Probate Code is amended to read:

902. Such further allowances may be made as the court may deem just and reasonable for any extraordinary services, such as sales or mortgages of real or personal property, contested or litigated claims against the estate, the successful defense of a will which is contested either before or after the will is admitted to probate, the preparation of estate, inheritance, income, sales or other tax returns, or the adjustment or litigation or payment of any of said taxes, litigation in regard to the property of the estate, the carrying on of the decedent's business pursuant to an order of the court, and such other litigation or special services as may be necessary for the executor or administrator to prosecute, defend, or perform.

The executor or administrator may also employ or retain tax counsel, tax auditors, accountants, or other tax experts for the performance of any action which such persons, respectively, may lawfully perform in the computation, reporting, or making of tax returns, or in negotiations or litigation which may be necessary for the final determination and payment of taxes, and pay from the funds of the estate for such services.

## CHAPTER 100

An act to add Section 61601.2 to the Government Code, relating to community services districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1983. Filed with  
Secretary of State June 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 61601.2 is added to the Government Code, to read:

61601.2. Notwithstanding the provisions of Sections 61600 and 61601, whenever the Board of Directors of the Groveland Community Services District or the Big Bear City Community Services District determines by resolution that it is feasible, economically sound, and in the public interest for the district to exercise its power for the purpose of constructing, installing, owning, maintaining, and operating hydroelectric power generating facilities and transmission lines for the conveyance thereof, either within or without or partly within and partly without the district, the board may adopt that additional purpose by resolution entered in the minutes, and thereafter the powers of the district may be exercised for that purpose. The district shall, for the purpose of constructing these facilities, have all of the power and authority to issue revenue bonds pursuant to Section 61613.1, which section authorizes the issuance of revenue bonds for other types of revenue producing authorities. The facilities so constructed shall be operated in a manner consistent with the district's storage, transmission, and distribution of irrigation and domestic water and reclaimed waste water. The power generated shall be used for district purposes or sold to a public utility or other public agency engaged in the generation, distribution, use, or sale of electrical power. The board may thereafter divest the district of the power to carry on this activity in the same manner as it acquired that power.

SEC. 2. The Legislature finds and declares that the Groveland Community Services District and the Big Bear City Community Services District have potential sources of hydroelectric power inside and outside the districts' boundaries which can be generated as an incident to the district's storage, transmission, and distribution of irrigation and domestic water and reclaimed waste water. These incidental sources of hydroelectric power are not common to other community services districts. The Legislature therefore finds and declares that a special law is necessary with respect to the Groveland Community Services District and the Big Bear City Community Services District, that the provisions of this act are needed to meet the special circumstances of the districts, and that a general law cannot be made applicable within the meaning of Section 16 of



Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the Groveland Community Services District and the Big Bear City Community Services District to participate in the development and recovery of available hydroelectric power at the earliest possible time, it is necessary that this act take immediate effect.

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## CHAPTER 101

An act to amend Sections 2343, 2653, 6548, 10161.75, 10171.6, 10249.2, and 11017 of, and to amend and renumber Section 10171.1 of, the Business and Professions Code, to amend Sections 5010, 5011, 5012, 5013, 5014, 5015, 5040, 5042, 5043, 5046, 5052, 5055, 5058, 5063, 5066, 5067, 5071, and 5072 of the Corporations Code, to amend Sections 16212, 41407, and 69517 of, to amend and renumber Section 69517 of, to repeal Sections 42237.9 and 78002 of, and to repeal Article 5 (commencing with Section 72650) of Chapter 6 of Part 45 of, the Education Code, to amend Sections 3801.5, 4185, 8022, 8371, and 8497 of, and to repeal Section 8498 of, the Fish and Game Code, to amend Sections 4051, 4053, 9211, 9231, 9241, 33082, 33084, 33114, 34353, 35251, 38983, 38986, 40561, 40933, 41195, 42763, and 62031 of the Food and Agricultural Code, to amend Sections 6254.5, 11004, 11121.5, 12853, 12855, 14087, 14790.5, 14791, 14792, 14824, 50921, 51293.1, 51939.74, 51953, 53202.1, 61606, 65909, 66412, 66452.7, 66473.5, 66714.3, 66731, 66790, and 66795 of, to amend and renumber the heading of Chapter 12 (commencing with Section 8885) of Division 1 of Title 2 of, and the heading of Chapter 4.6 (commencing with Section 65990) of Division 1 of Title 7 of, to repeal Sections 13984, 18861, 53115.4, 54914, 54916, 54917, 54918, 54919, 54920, 54921, and 54922 of, the Government Code, to amend Sections 782 and 6330 of the Harbors and Navigation Code, to amend Sections 423.1, 432.6, 434.5, 437.7, 437.119, 447.14, 1275, 1661, 4028, 4074, 11100, 11263, 11372.5, 11480, 12000, 13151, 13160, 17020, 17031, 17036, 17040, 17041, 17042, 17050, 17920.7, 17920.9, 17921, 17922, 17922.1, 17924, 17925, 17927, 17958.2, 17958.8, 25845, 26202, 28776, 44520, 50459, 50900, 50901, 50909, and 50913 of, to amend and renumber Section 19990.5 of, to amend and renumber the heading of Article 3 (commencing with Section 447.10) of Part 1.95 of Division 1 and Chapter 4 (commencing with Section 13250) of Part 2 of Division 12, as added by Chapter 345 of the Statutes of 1981, of, to add an article heading immediately preceding Section 446 of, to repeal Section 18931.5 of, to repeal Chapter 4 (commencing with Section 13220) of Part 2 of Division 12 of, the Health and Safety Code, to amend Sections 1063.5 and 1759

of, to amend the heading of Article 3a (commencing with Section 10159.1) of Chapter 1 of Part 2 of Division 2 of the Insurance Code, to amend Sections 12200 and 12590 of the Penal Code, to amend Sections 2961, 3586, 3592.5, 3615, 3634, 3904, 5004, 5162, 5164, 5353, 5360, and 5392 of, and to repeal Section 321 of, the Public Utilities Code, to amend Sections 366.3, 737, 4626, 5326.1, 5530, 18299, 18300, 18301, and 18909 of, to amend and renumber Sections 1767, and 18904.1 of, and to repeal Sections 14615, 19358, 19358.5, and 19360 of, the Welfare and Institutions Code, relating to maintenance of the codes.

[Approved by Governor June 16, 1983. Filed with  
Secretary of State June 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2343 of the Business and Professions Code is amended to read:

2343. Each member of a committee shall receive per diem and expenses as provided in Section 103.

SEC. 2. Section 2653 of the Business and Professions Code is amended to read:

2653. (a) An applicant who was issued a diploma by a physical therapy school not located in the United States shall meet all of the following requirements in order to be licensed as a physical therapist:

(1) Furnish documentary evidence satisfactory to the committee, that he or she has completed in a physical therapy school or schools a physical therapy education that entitles the applicant to practice as a physical therapist in the country where the diploma was issued. The physical therapy education received by the applicant shall reasonably include biological sciences, physical sciences, and the requirements of subdivision (b) of Section 2650. The committee may require an applicant to submit documentation of his or her education to a credentials evaluation service for review and a report to the committee.

(2) Pass the written examination required in Section 2636. The requirements to pass the written examination shall not apply to an applicant who at the time of application has passed, to the satisfaction of the committee, an examination for licensure in another state, district, or territory of the United States, that is, in the opinion of the committee, comparable to the examination given in this state.

(3) Complete a period of clinical service under the direct and immediate supervision of a physical therapist licensed by the board which does not exceed nine months in a location approved by the committee, in a manner satisfactory to the committee. The applicant shall have passed the written examination required in subdivision (b) prior to commencing the period of clinical service. The committee shall require the supervising physical therapist to evaluate the applicant and report his or her findings to the

committee. The committee may in its discretion waive all or part of the required clinical service pursuant to guidelines set forth in its regulations. During the period of clinical service until he or she is issued a license as a physical therapist by the board, the applicant shall be identified as a "physical therapist license applicant."

(4) Pass an oral examination administered by the committee at the completion of the clinical service if the clinical service has not been completed in a manner satisfactory to the committee.

(b) Nothing contained in this section shall prohibit the committee from disapproving any foreign physical therapy school or from denying the applicant if, in the opinion of the committee, the instruction received by the applicant or the courses were not equivalent to that required in this chapter.

SEC. 3. Section 6548 of the Business and Professions Code is amended to read:

6548. (a) Not less than four times each year, two times in the southern part of the state and two times in the northern part of the state, the board shall conduct examinations to ascertain the educational qualifications of each of the following:

(1) Applicants for certificates of registration to practice as registered barbers.

(2) Applicants for certificates of registration to practice as instructors in a barber college.

(b) The examination of applicants for certificates of registration as registered barbers shall include both a practical demonstration and a written test and shall embrace the subjects usually taught in colleges of barbering approved by the board. The examination for a certificate of registration as a registered barber shall include the standard methods for dressing all textures of hair, including hair relaxing. The written examination shall be limited to clearly job-related questions on the following subjects:

(1) Sanitation, antiseptics, sterilization, hygiene, bacteria, and health and safety aspects of consumer protection.

(2) Hair tonics, hairdressing preparations, and rinses.

(3) Facials and scalp massages or treatments with creams, lotions, oils, or other cosmetic preparations either by hand or mechanical appliances which are not galvanic or faradic.

(4) Implements of barbering.

(5) Laws and regulations governing the practice of barbering.

(6) Common skin and hair diseases of the scalp, face, and neck.

(7) The structure and functions of the skin and hair of the scalp, face, and neck.

(8) Cosmetic preparations and chemicals used in the practice of barbering.

(9) Circulation, muscles, nerves, and cells of the scalp, face, and neck only as those subjects are related to massaging or other acts of barbering.

(10) Fundamentals of hair coloring and bleaching.

(11) Fundamentals of hair straightening (also known as hair

relaxing).

(12) Waving of hair, except that waving shall not include permanent waving.

(c) If an applicant fails to appear for a scheduled examination, the board may assess a penalty fee of not more than 50 percent of the examination fee and in no event to exceed five dollars (\$5). The board shall reschedule the examination date for the applicant upon the applicant's payment of the penalty fee.

SEC. 4. Section 10161.75 of the Business and Professions Code is amended to read:

10161.75. The holder of an inactive license may reinstate or renew the license on an active basis only, provided the licensee presents evidence of compliance with all provisions of this part and is otherwise qualified.

SEC. 5. Section 10171.1 of the Business and Professions Code, as added by Chapter 179 of the Statutes of 1981, is amended and renumbered to read:

10170.5. No real estate license shall be renewed unless the commissioner finds that the applicant for the license has, during each four-year period preceding the renewal application, completed as part of the 45 clock hours of attendance provided for in Section 10170.4, a three-hour course in ethics, professional conduct, and legal aspects of real estate. Any such course shall include, but need not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest.

This section shall be operative until January 1, 1985, and on that date is repealed.

SEC. 6. Section 10171.6 of the Business and Professions Code is amended to read:

10171.6. The holder of an inactive license who applies for activation of the license shall present evidence of compliance with the continuing education requirements of this chapter if the applicant has not held an active real estate license within the four years immediately preceding the date of application for activation. If the applicant for activation is unable to present evidence of having satisfied the continuing education requirements of this chapter, the commissioner may upon a showing of hardship to the applicant activate the license for a period of not to exceed 90 days. If the licensee presents evidence of compliance with the continuing education requirements of this chapter within the period of active licensure authorized by the commissioner, the commissioner shall authorize activation for the remainder of the regular term of the license without any additional fee.

SEC. 7. Section 10249.2 of the Business and Professions Code is amended to read:

10249.2. The sale or lease, or the offering for sale or lease, of lots or parcels in a subdivision situated outside of this state shall be governed by Article 6 (commencing with Section 10237) and of Chapter 1 (commencing with Section 11000) of Part 2, insofar as

applicable.

The Real Estate Commissioner may adopt regulations reasonably necessary to enforce this article.

The actual subdivision fees established by regulation shall not exceed the amount reasonably required by the department to process applications for permits required by this article.

SEC. 8. Section 11017 of the Business and Professions Code is amended to read:

11017. All fees and earned expense collected under this chapter shall be deposited in the Real Estate Fund under Chapter 6 (commencing with Section 10450) of Part 1.

The actual subdivision fees established by regulation shall not exceed the amount reasonably required by the department to process questionnaires and applications for public reports required by this article.

SEC. 9. Section 5010 of the Corporations Code is amended to read:

5010. If the articles or bylaws provide for more or less than one vote for any membership on any matter, the references in Sections 5033 and 5034 to a majority or other proportion of memberships mean, as to those matters, a majority or other proportion of the votes entitled to be cast. Whenever in Part 2 (commencing with Section 5110) or Part 3 (commencing with Section 7110) members are disqualified from voting on any matter, their memberships shall not be counted for the determination of a quorum at any meeting to act upon, or the required vote to approve action upon, that matter under any other provision of Part 2 (commencing with Section 5110) or Part 3 (commencing with Section 7110) or the articles or bylaws.

SEC. 10. Section 5011 of the Corporations Code is amended to read:

5011. All references in Part 3 (commencing with Section 7110) to the voting of memberships include the voting of securities given voting rights in the articles pursuant to paragraph (3) of subdivision (a) of Section 7132.

SEC. 11. Section 5012 of the Corporations Code is amended to read:

5012. All references in this part, Part 2 (commencing with Section 5110), Part 3 (commencing with Section 7110), or Part 4 (commencing with Section 9110) to financial statements of a corporation mean statements prepared in conformity with generally accepted accounting principles or some other basis of accounting which reasonably sets forth the assets and liabilities and the income and expenses of the corporation and discloses the accounting basis used in their preparation.

SEC. 12. Section 5013 of the Corporations Code is amended to read:

5013. As used in this part, Part 2 (commencing with Section 5110), Part 3 (commencing with Section 7110), or Part 4 (commencing with Section 9110), "independent accountant" means

a certified public accountant or public accountant who is independent of the corporation, as determined in accordance with generally accepted auditing standards, and who is engaged to audit financial statements of the corporation or perform other accounting services.

SEC. 13. Section 5014 of the Corporations Code is amended to read:

5014. Any requirement in Part 3 (commencing with Section 7110) for a vote of each class of members means such a vote regardless of limitations or restrictions upon the voting rights thereof, unless expressly limited to voting memberships.

SEC. 14. Section 5015 of the Corporations Code is amended to read:

5015. Any reference in this part, Part 2 (commencing with Section 5110), Part 3 (commencing with Section 7110), Part 4 (commencing with Section 9110), or Part 5 (commencing with Section 9910) to the time a notice is given or sent means, unless otherwise expressly provided, the time a written notice by mail is deposited in the United States mails, postage prepaid; or the time any other written notice is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient; or the time any oral notice is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

SEC. 15. Section 5040 of the Corporations Code is amended to read:

5040. "Chapter" refers to a chapter of Part 2 (commencing with Section 5110), Part 3 (commencing with Section 7110), or Part 4 (commencing with Section 9110) unless otherwise expressly stated.

SEC. 16. Section 5042 of the Corporations Code is amended to read:

5042. "Common memberships," as used in Part 3 (commencing with Section 7110), means memberships which have no preference over any other memberships with respect to distribution of assets on liquidation.

SEC. 17. Section 5043 of the Corporations Code is amended to read:

5043. "Common shares," as used in Part 3 (commencing with Section 7110), means shares which have no preference over any other shares with respect to distribution of assets on liquidation or with respect to payment of dividends.

SEC. 18. Section 5046 of the Corporations Code is amended to read:

5046. (a) "Corporation" as used in this part and Part 5 (commencing with Section 9910), refers to corporations defined in subdivisions (b), (c), and (d).

(b) "Corporation," as used in Part 2 (commencing with Section

5110), means a nonprofit public benefit corporation as defined in Section 5060.

(c) "Corporation," as used in Part 3 (commencing with Section 7110) means a nonprofit mutual benefit corporation as defined in Section 5059.

(d) "Corporation," as used in Part 4 (commencing with Section 9110), including those provisions of Part 2 (commencing with Section 5110) made applicable pursuant to Chapter 6 (commencing with Section 9610) of Part 4, means a nonprofit religious corporation as defined in Section 5061.

SEC. 19. Section 5052 of the Corporations Code is amended to read:

5052. "Foreign business corporation," as used in Part 3 (commencing with Section 7110), means a foreign corporation as defined in Section 171 except that it does not include a foreign corporation as defined in Section 5053.

SEC. 20. Section 5055 of the Corporations Code is amended to read:

5055. "Liquidating price" or "liquidation preference," as used in Part 3 (commencing with Section 7110), means amounts payable on memberships of any class, upon voluntary or involuntary dissolution, winding up or distribution of the entire assets of the corporation, in priority to amounts payable to members of another class or classes.

SEC. 21. Section 5058 of the Corporations Code is amended to read:

5058. "Membership certificate," as used in Part 3 (commencing with Section 7110), means a document evidencing a transferable property interest in a corporation.

SEC. 22. Section 5063 of the Corporations Code is amended to read:

5063. "On the certificate," as used in Part 3 (commencing with Section 7110), means that a statement appears on the face of a certificate or on the reverse thereof with a reference thereto on the face.

SEC. 23. Section 5066 of the Corporations Code is amended to read:

5066. "Preferred membership," as used in Part 3 (commencing with Section 7110), means a membership other than a common membership.

SEC. 24. Section 5067 of the Corporations Code is amended to read:

5067. "Preferred shares," as used in Part 3 (commencing with Section 7110), means shares other than common shares.

SEC. 25. Section 5071 of the Corporations Code is amended to read:

5071. "Shareholder," as used in Part 3 (commencing with Section 7110), means one who is a holder of record of shares.

SEC. 26. Section 5072 of the Corporations Code is amended to read:

5072. "Shares," as used in Part 3 (commencing with Section 7110), means the units into which the proprietary interests in a business corporation or foreign business corporation are divided in the articles.

SEC. 27. Section 16212 of the Education Code is amended to read:

16212. In lieu of grants to districts pursuant to subdivision (1) of Section 16211 for the purpose of acquisition of portable buildings or other facilities and equipment, the board may expend moneys available for grants under this article for the acquisition of portable buildings and facilities and equipment by the state, and thereafter convey the same to the eligible districts. The conveyance to eligible districts may take the form of sale, lease, outright grant, or other suitable form of conveyance, as determined by the board.

SEC. 28. Section 41407 of the Education Code is amended to read:

41407. The Superintendent of Public Instruction shall prepare an annual report on administrative ratios, utilizing the information submitted pursuant to Section 41405. The Superintendent of Public Instruction shall transmit a copy of this report to the Legislature and to any agency or individual who requests it.

SEC. 29. Section 42237.9 of the Education Code, as added by Chapter 100 of the Statutes of 1981, is repealed. The repeal made by this section shall not affect the existence or validity of Section 42237.9 of the Education Code, as added by Chapter 129 of the Statutes of 1981.

SEC. 30. Section 69517 of the Education Code, as added by Chapter 707 of the Statutes of 1981, is amended to read:

69517. (a) By October 15 of each year, the Student Aid Commission may propose adjustments to award selection procedures and selection criteria established pursuant to Section 69516. The proposed adjustments shall be made available for public review and comment pursuant to procedures set forth in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. In determining adjustments, the commission shall consider at least all of the following factors:

(1) The impact of the adjustments on the distribution of funds and awards among income groups, ethnic groups, and grade point average levels.

(2) The impact of the adjustments on the distribution of funds and awards among postsecondary education segments.

(3) The costs of implementing proposed adjustments.

(4) The availability of financial aid from other sources for students who qualify for an award.

(b) The commission may also consider the impact of inflation in the proposed adjustments pursuant to subdivision (a).

SEC. 31. Section 69517 of the Education Code, as added by Chapter 1115 of the Statutes of 1981, is amended and renumbered to read:

69517.5. The Student Aid Commission shall, with the assistance of the Attorney General's office, seek refunds on any awards to students



in this chapter which resulted from the student or his or her parents, or both, reporting information concerning their status incorrectly, with the incorrect information leading to the establishment of the student's financial eligibility to receive an award.

SEC. 32. Article 5 (commencing with Section 72650) of Chapter 6 of Part 45 of the Education Code, as added by Chapter 471 of the Statutes of 1981, is repealed. The repeal made by this section shall not affect the existence or validity of Article 5 (commencing with Section 72650) of Chapter 6 of Part 45 of the Education Code, as added by Chapter 930 of the Statutes of 1981.

SEC. 33. Section 78002 of the Education Code, as added by Chapter 470 of the Statutes of 1981, is repealed. The repeal made by this section shall not affect the existence or validity of Section 78002 of the Education Code, as added by Chapter 1000 of the Statutes of 1981.

SEC. 34. Section 3801.5 of the Fish and Game Code is amended to read:

3801.5. Nongame birds not covered by the Migratory Bird Treaty Act which are found to be injuring growing crops or property may be taken by the owner or tenant of the premises. They may also be so taken by officers or employees of the Department of Food and Agriculture or by federal or county officers or employees when acting in their official capacities pursuant to the provisions of the Food and Agricultural Code pertaining to pests, or pursuant to Article 6 (commencing with Section 6021) of Chapter 9 of Part 1 of Division 4 of the Food and Agricultural Code.

Landowners and tenants taking birds in accordance with this section are exempt from Section 3007.

SEC. 35. Section 4185 of the Fish and Game Code is amended to read:

4185. In any district or part of a district within San Bernardino and Riverside Counties, bears may be taken at any time with traps within a good and substantial fence, as such fence is described in Section 17121 of the Food and Agricultural Code, surrounding beehives, if no part of the fence is at a distance greater than 50 yards from a beehive, and if a conspicuous sign is posted and maintained at each entrance to the enclosed premises to give warning of the presence of the traps. No iron or steel-jawed or any type of metal-jawed trap shall be used to take bear under this section.

SEC. 36. Section 8022 of the Fish and Game Code is amended to read:

8022. The receipts, reports, or other records filed with the department pursuant to Article 2 (commencing with Section 7700) to this article, inclusive, and the information contained therein, shall, except as otherwise provided in this section, be confidential, and the records shall not be public records, and, insofar as possible, the information contained in the records shall be compiled or published as summaries, so as not to disclose the individual record or business of any person.

Notwithstanding the foregoing, commercial landing receipts recorded pursuant to Sections 8011 and 8023, except for the actual name of the seller and buyer of the fish, filed with the department may be used or disseminated as determined by the director to be necessary for development of interstate management plans for Dungeness crab.

SEC. 37. Section 8371 of the Fish and Game Code is amended to read:

8371. (a) Except as otherwise provided in subdivision (b), it is unlawful to buy or sell striped bass or sturgeon or parts thereof, or to possess striped bass or sturgeon or parts thereof in any place where fish are bought, possessed for sale, or sold, or where food is offered for sale, or in any truck or other conveyance operated by or for a place so selling or possessing fish.

(b) Subdivision (a) does not apply to any of the following:

(1) Artificially propagated striped bass or sturgeon.

(2) Striped bass or sturgeon raised for sale for scientific study by either a domestic fish breeder licensed pursuant to Article 3 (commencing with Section 6450) of Chapter 5 of Part 1, or a person who is licensed to engage in cultivating marine life.

(3) Striped bass or sturgeon imported pursuant to Article 4 (commencing with Section 2301) of Chapter 3 of Division 3.

(4) Sturgeon imported pursuant to Section 2363.

SEC. 38. Section 8497 of the Fish and Game Code is amended to read:

8497. If the director determines that the California halibut resource, or existing fishing operations, within the designated California halibut trawl grounds are in danger of irreparable injury, he or she may order the closure of the area, or portions thereof, to trawl net fishing or further restrict the nets that may be used in the area, or portions thereof. Any such closure or restriction order shall be adopted by emergency regulation in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

The department shall bring to the attention of the Legislature within 30 calendar days after commencement of the next succeeding regular session of the Legislature any regulation adopted pursuant to this section.

SEC. 39. Section 8498 of the Fish and Game Code is repealed.

SEC. 40. Section 4051 of the Food and Agricultural Code is amended to read:

4051. An association, with the approval of both the Department of Food and Agriculture and the Department of General Services, may do any of the following:

(a) Contract.

(b) Purchase, acquire, hold, sell, exchange, or convey any interest in real or personal property and beautify or improve that property. Any acquisition of land or other real property shall be subject to the Property Acquisition Law (Part 11 (commencing with Section

15850) of Division 3 of Title 2 of the Government Code).

(c) Lease, let, or grant licenses for the use of its real estate or personal property, or any portion of that property, to any person or public body for whatever purpose may be approved by the board.

(d) Use or manage its real estate or personal property, or any portion of that property, for any or all of the purposes of this section jointly with any lessee, sublessee, or licensee, or otherwise use or manage the property in connection with the lease, sublease, or license which is made or granted.

(e) Lease or let its real property for public park, recreational, or playground purposes.

(f) Rent or permit the use of its premises for any purpose which is beneficial to the agricultural industry, including, but not limited to, the holding of sales or auctions of cattle or other livestock.

(g) Contract with any county or county fair association for holding a fair jointly with the county or county fair association. The joint fair is a district fair of the association.

(h) Make permanent improvements upon publicly owned real property adjacent to real property of the district when the improvements materially benefit the property of the district.

SEC. 41. Section 4053 of the Food and Agricultural Code is amended to read:

4053. The Director of Food and Agriculture may make available for the use of any association any property of the state which is suitable for the purposes of the association and which has been obtained by the state by gift from any county or city, or otherwise, without cost to the state.

SEC. 42. Section 9211 of the Food and Agricultural Code is amended to read:

9211. No person shall engage in the production of biologics except in any of the following:

(a) In an establishment licensed by the United States Department of Agriculture.

(b) In an establishment producing biologics only for use by the owner or operator of that establishment for animals owned by him or her. Biologics produced in such an establishment shall be registered by the director under this chapter.

(c) In an establishment licensed by the director.

SEC. 43. Section 9231 of the Food and Agricultural Code is amended to read:

9231. The license application fee and license renewal fee under this chapter for an establishment proposing to produce or producing biologics shall be as follows:

(a) The application and annual license fee shall be two hundred fifty dollars (\$250) for each establishment, which shall be the fee for the fiscal year, or portion thereof, ending June 30 of each year. When an applicant is a city, county, state, or district, or an official thereof, no fee shall be required under this section.

(b) Licenses shall be renewed every year. The annual renewal fee

shall be paid on or before the first day of July of each year.

(c) The fees required by this section are maximum, and may be fixed by the director at a lesser amount for any fiscal year whenever he or she finds that the cost of administering this chapter can be defrayed from revenues derived from the lower fees.

SEC. 44. Section 9241 of the Food and Agricultural Code is amended to read:

9241. No person shall offer for sale or use any biologic unless it is registered by the director pursuant to this article, except, however, no such registration shall be required of any biologic manufactured pursuant to the terms of a valid license issued by the United States Department of Agriculture unless the director finds that, due to local conditions, it is necessary that the biologic be registered in order to assure that it have value for the purpose intended and it is safe to use in this state.

SEC. 45. Section 33082 of the Food and Agricultural Code is amended to read:

33082. The director shall supervise the operation of all approved milk inspection services in the enforcement of this division and the regulations which are adopted by him or her.

SEC. 46. Section 33084 of the Food and Agricultural Code is amended to read:

33084. The director, at least once each month, shall report to the Controller the total amount of money which is collected under Section 33294. He or she shall, at the same time, pay into the State Treasury the entire amount of the receipts which shall be credited to the Department of Food and Agriculture Fund and expended as provided in Section 32704.

SEC. 47. Section 33114 of the Food and Agricultural Code is amended to read:

33114. The director shall establish and collect fees for the application and for the examination of persons for the position of registered dairy inspector to cover the cost of carrying out the provisions of this article. The application fee shall not exceed ten dollars (\$10) and the examination fee shall not exceed thirty dollars (\$30). Any fees collected pursuant to this section shall be deposited in the Department of Food and Agriculture Fund and be used in carrying out this article.

SEC. 48. Section 34353 of the Food and Agricultural Code is amended to read:

34353. Any money which is received under this article shall be paid into the Department of Food and Agriculture Fund.

SEC. 49. Section 35251 of the Food and Agricultural Code is amended to read:

35251. The director, at least once each month, shall report to the Controller the total amount of any money which is collected under Section 35221. He or she shall, at the same time, pay into the State Treasury the entire amount of the receipts which shall be credited to the Department of Food and Agriculture Fund and expended as

provided in Section 32704.

SEC. 50. Section 38983 of the Food and Agricultural Code is amended to read:

38983. The regulations shall be adopted after a public hearing in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 51. Section 38986 of the Food and Agricultural Code is amended to read:

38986. If the director determines that fees established to enforce and administer this chapter exceed the cost of enforcing and administering this chapter, he or she may by regulation reduce the fees accordingly. If he or she determines that the fees are insufficient to defray the costs, he or she may use funds for the administration and enforcement of this chapter which are collected from producers and distributors pursuant to Article 14 (commencing with Section 62211) of Chapter 2 of Part 3 of Division 21 and which have been appropriated from the Department of Food and Agriculture Fund for this purpose.

SEC. 52. Section 40561 of the Food and Agricultural Code is amended to read:

40561. Any money which is collected pursuant to this chapter shall be paid into the Department of Food and Agriculture Fund.

SEC. 53. Section 40933 of the Food and Agricultural Code is amended to read:

40933. Any money which is collected pursuant to this article shall be remitted to the director weekly during the tomato canning season for deposit into the Department of Food and Agriculture Fund to be used in carrying out the purposes of this chapter.

SEC. 54. Section 41195 of the Food and Agricultural Code is amended to read:

41195. Any money which is received pursuant to this article shall be paid into the Department of Food and Agriculture Fund to be expended in carrying out this article.

SEC. 55. Section 42763 of the Food and Agricultural Code is amended to read:

42763. Any money which is received pursuant to this article shall be paid into the Department of Food and Agriculture Fund to be expended in carrying out this article.

SEC. 56. Section 62031 of the Food and Agricultural Code is amended to read:

62031. The director may amend or terminate any stabilization and marketing plan, after notice and public hearing as prescribed in Article 7 (commencing with Section 61991), if he or she finds that the plan is no longer in conformity with the standards which are prescribed in, or will not tend to effectuate the purposes of, this chapter. Any order under this article amending or terminating any stabilization and marketing plan shall be subject to Section 61996.

SEC. 57. Section 6254.5 of the Government Code is amended to read:

6254.5. Notwithstanding any other provisions of the law, whenever a state or local agency discloses a public record which is otherwise exempt from this chapter, to any member of the public, this disclosure shall constitute a waiver of the exemptions specified in Sections 6254, 6254.7, or other similar provisions of law. For the purposes of this section, before a disclosure of an otherwise exempt public record by a state or local agency to a federal agency, is made, the federal agency shall agree in writing to comply with this chapter. For purposes of this section, "agency" includes a member, agent, officer, or employee of the agency acting within the scope of his or her membership, agency, office, or employment.

This section, however, shall not apply to disclosures:

(a) Made pursuant to the Information Practices Act (commencing with Section 1798 of the Civil Code) or discovery proceedings.

(b) Made through other legal proceedings.

(c) Within the scope of disclosure of a statute which limits disclosure of specified writings to certain purposes.

(d) Not required by law, and prohibited by formal action of an elected legislative body of the local agency which retains the writings.

SEC. 58. The heading of Chapter 12 (commencing with Section 8855) of Division 1 of Title 2 of the Government Code is amended and renumbered to read:

#### CHAPTER 11. CALIFORNIA DEBT ADVISORY COMMISSION

SEC. 59. Section 11004 of the Government Code is amended to read:

11004. Sections 11002 and 11003 do not apply to:

(a) Applications or other documents required or permitted to be filed under the Chapter 1 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(b) Applications to appropriate water under Division 2 (commencing with Section 1000) of the Water Code.

SEC. 60. Section 11121.5 of the Government Code is amended to read:

11121.5. Under the provisions of this article, the official student body organization at any campus of the California State University, or of the California Community Colleges, shall be treated in the same manner as a state body.

SEC. 61. Section 12853 of the Government Code is amended to read:

12853. The secretary of each agency and any other officer or employee within the agency designated in writing by the secretary shall have the power of a head of a department pursuant to Article 2 (commencing with Section 11180) of Chapter 2 of Part 1.

SEC. 62. Section 12855 of the Government Code is amended to read:

12855. For the purpose of this chapter, “agency” means the State and Consumer Services Agency, the Health and Welfare Agency, or the Resources Agency, or the Youth and Adult Correctional Agency, and “secretary” means the secretary of any such agency. The general powers of the Business, Transportation and Housing Agency and its secretary are those specified in Part 4.5 (commencing with Section 13975).

SEC. 63. Section 13984 of the Government Code is repealed.

SEC. 64. Section 14087 of the Government Code is amended to read:

14087. If the governing body of a public entity wishes to appeal an action of the department taken under Section 14085 the matter shall be appealed to the Secretary of the Business, Transportation and Housing Agency. Within a reasonable time after receiving the appeal, the secretary shall hear all parties involved and determine the matter, or the secretary may appoint a hearing officer to hear all parties involved and make a recommendation for the consideration of the secretary in determining the matter.

SEC. 65. Section 14790.5 of the Government Code is amended to read:

14790.5. Purchases of electronic data processing supplies and equipment as provided for in Article 2.5 (commencing with Section 14816) are not subject to this article.

SEC. 66. Section 14791 of the Government Code is amended to read:

14791. The bid requirements prescribed in this article do not apply to purchases or contracts for the purchase of any of the following:

(a) Fluid milk and fluid cream, the price of which is established in accordance with Chapter 2 (commencing with Section 61801) of Part 3 of Division 21 of the Food and Agricultural Code.

(b) Fruits and vegetables procured under contract with growers for the use of canneries maintained and operated by state agencies, if the canneries are maintained and operated so that their canned products will meet the standards prescribed for similar commercially packed canned products under federal law.

(c) Such agricultural surpluses as may be available to the state or its agencies by any governmental agency.

SEC. 67. Section 14792 of the Government Code is amended to read:

14792. Except as provided in Article 1 (commencing with Section 14780), every purchase of supplies or equipment in excess of one hundred dollars (\$100) for any state agency shall be made by or under the supervision of the Department of General Services. However, the state agency may specify the quality of the supplies or equipment to be purchased. If the Department of General Services determines that the quality specified by the agency is inconsistent with the statewide purchasing standards established by the Director of General Services under Section 14792.5, it shall change the order

to make it consistent with the standards, and it shall notify the state agency, within a reasonable time, before a purchase order is issued. If the agency is of the opinion the interests of the state would not be served by the purchase of supplies or equipment of a lesser quality or different than that specified by the agency, the agency may request a hearing before the State Board of Control and the board shall determine which supplies or equipment will best serve the interests of the state, whereupon the department shall issue a purchase order for the supplies or equipment specified by the State Board of Control.

SEC. 68. Section 14824 of the Government Code, as amended by Section 8 of Chapter 867 of the Statutes of 1981, is amended to read:

14824. This article shall not apply to the Regents of the University of California or to the Trustees of the California State University.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

SEC. 69. Section 18861 of the Government Code is repealed.

SEC. 70. Section 50921 of the Government Code is amended to read:

50921. Whenever any peace officer of a city, county, or city and county of this state is injured, dies, or is disabled from performing his or her duties as a peace officer by reason of engaging in the apprehension or attempted apprehension of law violators or suspected law violators or protection or preservation of life or property, or the preservation of the peace anywhere in this state, including the local jurisdiction in which he or she is employed, but is not at the time acting under the immediate direction of his or her employer, he, she, or his or her dependents, as the case may be, shall be accorded by his or her employer all of the same benefits including the benefits of the Workers' Compensation Law, which he, she, or they would have received had that peace officer been acting under the immediate direction of his or her employer. Any injury, disability, or death incurred under the circumstances described in this section shall be deemed to have arisen out of and been sustained in the course of employment for purposes of workers' compensation and all other benefits.

SEC. 71. Section 51293.1 of the Government Code is amended to read:

51293.1. Any public agency or person requiring land in an agricultural preserve for a use which has been determined by a city or county to be a "compatible use" pursuant to subdivision (e) of Section 51201 in that agricultural preserve shall not be excused from the provisions of subdivision (b) of Section 51291 if the agricultural preserve was established before the location of the improvement of a public utility was submitted to the city, county, or Public Utilities Commission for agreement or approval and that compatible use shall not come within the provisions of Section 51293 unless the location of the improvement is approved or agreed to pursuant to subdivision



(a) of Section 51293 or the compatible use is listed in Section 51293.

SEC. 72. Section 51939.74 of the Government Code is amended to read:

51939.74. The procedures set forth in this article shall have validity and effect and shall be followed in the event the provisions of Article 3 (commencing with Section 51920) are not effective.

SEC. 73. Section 51953 of the Government Code is amended to read:

51953. The charter may provide for the manner in which any of the other cities which has elected to retain its local governmental structure pursuant to Article 3 (commencing with Section 51920) or its governmental independence pursuant to Article 3.5 (commencing with Section 51939.50), whichever is applicable, may at any time become consolidated and merged into the city-county government following a majority vote of its voters voting thereon.

SEC. 74. Section 53115.4 of the Government Code is repealed.

SEC. 75. Section 53202.1 of the Government Code is amended to read:

53202.1. In approving a plan or plans of health and welfare benefits, the local agency may approve policies of life, health, legal expense, and accident insurance, or any of them, from an admitted insurer or from a nonprofit membership corporation, as defined in Section 1157, wherein a bona fide association, as defined in Section 1157.1, is the policyholder or contractholder, for the benefit of the agency and the officers and employees authorizing the purchase.

SEC. 76. Section 54914 of the Government Code is repealed.

SEC. 77. Section 54916 of the Government Code is repealed.

SEC. 78. Section 54917 of the Government Code is repealed.

SEC. 79. Section 54918 of the Government Code is repealed.

SEC. 80. Section 54919 of the Government Code is repealed.

SEC. 81. Section 54920 of the Government Code is repealed.

SEC. 82. Section 54921 of the Government Code is repealed.

SEC. 83. Section 54922 of the Government Code is repealed.

SEC. 84. Section 61606 of the Government Code is amended to read:

61606. Notwithstanding Sections 61600 and 61601, the district may construct, maintain, and operate one or more plants, which plants are constructed after January 1, 1982, for the generation of hydroelectric power. The plant or plants so constructed shall be operated in a manner consistent with the district's storage, transmission, and distribution of irrigation and domestic water. Construction of the plant or plants may be financed by the issuance of revenue bonds as otherwise provided in this division.

SEC. 85. Section 65909 of the Government Code is amended to read:

65909. No local governmental body, or any agency thereof, may condition the issuance of any building or use permit or zone variance on any or all of the following:

(a) The dedication of land for any purpose not reasonably related

to the use of the property for which the variance, building, or use permit is requested.

(b) The posting of a bond to guarantee installation of public improvements not reasonably related to the use of the property for which the variance, building, or use permit is requested.

SEC. 86. The heading of Chapter 4.6 (commencing with Section 65990) of Division 1 of Title 7 of the Government Code is amended and renumbered to read:

CHAPTER 4.8. ENVIRONMENTAL IMPROVEMENT  
AUTHORIZATIONS

SEC. 87. Section 66412 of the Government Code is amended to read:

66412. This division does not apply to any of the following:

(a) The financing or leasing of apartments, offices, stores or similar space within apartment buildings, industrial buildings, commercial buildings, mobilehome parks, or trailer parks.

(b) Mineral, oil, or gas leases.

(c) Land dedicated for cemetery purposes under the Health and Safety Code.

(d) A lot line adjustment between two or more existing adjacent parcels, where the land taken from one parcel is added to an adjacent parcel, and where a greater number of parcels than originally existed is not thereby created, provided the lot line adjustment is approved by the local agency, or advisory agency.

(e) Boundary line or exchange agreements to which the State Lands Commission or a local agency holding a trust grant of tide and submerged lands is a party.

(f) Any separate assessment under Section 2188.7 of the Revenue and Taxation Code.

(g) Unless a parcel or final map was approved by the legislative body of a local agency, the conversion of a community apartment project, as defined in Section 11004 of the Business and Professions Code, to a condominium, as defined in Section 783 of the Civil Code, but only if all of the following requirements are met:

(1) At least 75 percent of the units in the project were occupied by record owners of the project on March 31, 1982.

(2) A final or parcel map of the project was properly recorded, if the property was subdivided, as defined in Section 66424, after January 1, 1964, with all of the conditions of that map remaining in effect after the conversion.

(3) The local agency certifies that the above requirements were satisfied if the local agency, by ordinance, provides for such certification.

(h) Unless a parcel or final map was approved by the legislative body of a local agency, the conversion of a stock cooperative, as defined in Section 11003.2 of the Business and Professions Code, to a condominium, as defined in Section 783 of the Civil Code, but only if all of the following requirements are met:

(1) At least 51 percent of the units in the cooperative were occupied by stockholders of the cooperative on January 1, 1980, or individually owned by stockholders of the cooperative on January 1, 1980. As used in this paragraph a cooperative unit is "individually owned" if and only if the stockholder of the unit owns or partially owns an interest in no more than one unit in the cooperative.

(2) No more than 25 percent of the shares of the cooperative were owned by any one person, as defined in Section 17, including an incorporator or director of the cooperative, on January 1, 1980.

(3) A person renting a unit in a cooperative shall be entitled at the time of conversion to all tenant rights in state or local law, including, but not limited to, rights respecting first refusal, notice, and displacement and relocation benefits.

(4) The local agency certifies that the above requirements were satisfied if the local agency, by ordinance, provides for such certification.

SEC. 88. Section 66452.7 of the Government Code is amended to read:

66452.7. The governing body, when there is no advisory agency or the advisory agency is required by Section 66455.5 to submit the tentative map to the Office of Intergovernmental Management, may extend the time permitted for action on such map if it is required to allow consideration of the evaluation received from the Office of Intergovernmental Management, but the extension shall not exceed 15 days.

SEC. 89. Section 66473.5 of the Government Code is amended to read:

66473.5. No local agency shall approve a tentative map, or a parcel map for which a tentative map was not required, unless the legislative body finds that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1, or any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1.

A proposed subdivision shall be consistent with a general plan or a specific plan only if the local agency has officially adopted such a plan and the proposed subdivision or land use is compatible with the objectives, policies, general land uses, and programs specified in such a plan.

SEC. 90. Section 66714.3 of the Government Code is amended to read:

66714.3. "Enforcement agency" means the local agency, the board, or the department designated pursuant to Section 66796 for the purpose of carrying out Chapter 3 (commencing with Section 66795).

SEC. 91. Section 66731 of the Government Code is amended to read:

66731. State solid waste management and resource recovery

policy shall consist of the policies, plans, and programs established pursuant to Chapter 2 (commencing with Section 66770).

SEC. 92. Section 66790 of the Government Code is amended to read:

66790. In addition to all other powers and duties under this chapter, the board shall do all of the following:

(a) Conduct studies and investigations regarding new or improved methods of solid waste handling, disposal, or reclamation and review and coordinate solid waste management studies by other state agencies.

(b) Prepare and implement a statewide solid waste management information storage and retrieval system coordinated with other state information systems.

(c) Implement a public information program to provide information to local government, private industry, and general maximum environmental protection, and effective reuse of waste products.

(d) Render technical assistance to state and local agencies, local health officers, and others in the planning and operation of solid waste programs.

(e) Conduct studies of the nature, extent, and methods of reducing and controlling the litter problems statewide, including, but not limited to, methods of improving public education and incentives not to litter, necessary additional legislation, and improved methods of implementing existing litter laws.

(f) Adopt and enforce all regulations reasonably necessary to carry out the policies, requirements, and duties of this title in conformity, as nearly as practicable, with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(g) Assist enforcement agencies in the development, implementation, and maintenance of their inspection, enforcement, training, and regulatory programs.

(h) Organize, operate, and conduct any solid waste enforcement activity as it deems advisable upon the request of the local governing body of any city, county, or city and county and upon the appropriation for solid waste enforcement purposes by that city, county, or city and county of a sum adequate to compensate the board for the full cost of that activity.

(i) Require, as necessary, any state or local agency having jurisdiction to investigate and report on any questions or matters involved in solid waste handling and disposal. The requirement shall be subject to the budgetary constraints of the state or local agency.

SEC. 93. Section 66795 of the Government Code is amended to read:

66795. This chapter shall be known and cited as the Z'berg-Kapiloff Solid Waste Control Act of 1976.

SEC. 94. Section 782 of the Harbors and Navigation Code is amended to read:

782. Excepting laws regulating the discharge of sewage into or

upon the navigable waters of any lake, reservoir, or fresh water impoundment of this state, and notwithstanding the provisions of Section 660, no vessel, as defined in subdivision (f) of Section 775.5 shall, from September 19, 1974, be subject to any other state or local government law, ordinance, or regulation with respect to the design, manufacture, installation, or use within any vessel of any marine sanitation device. Notwithstanding this chapter or any other provision of law, nothing in this chapter shall be construed to in any way preclude or restrict a city, city and county, county, or other regional or local governmental agency, from enacting local rules and regulations, by ordinance or otherwise, with respect to the discharge of sewage from vessels.

SEC. 95. Section 6330 of the Harbors and Navigation Code is amended to read:

6330. A district may create a bonded debt pursuant to Article 1 (commencing with Section 43600) of Chapter 4 of Division 4 of Title 4 of the Government Code.

Bonds may be issued for the purpose of raising money for use in carrying out any of the powers and purposes of the district.

SEC. 96. Section 423.1 of the Health and Safety Code is amended to read:

423.1. The State Department of Health Services shall conduct a program for the control of high blood pressure. The program shall include, but not be limited to, all of the following:

(a) Support of local community high blood pressure control programs to improve the quality and distribution of high blood pressure control services.

(b) Promotion of consumer participation in high blood pressure control efforts.

(c) Statewide coordination of high blood pressure control activities.

(d) Planning, including development, adoption, periodic review, and revision of a state plan for high blood pressure control; and assistance to local agencies in their planning efforts.

(e) Gathering, analysis, and dissemination of epidemiologic data and information on high blood pressure and its resulting effects, and support of high blood pressure research.

(f) Development and maintenance of a clearinghouse for high blood pressure information, materials, and services.

(g) Promotion of local and regional councils on high blood pressure control.

(h) Evaluation of high blood pressure control efforts.

(i) Education of patients, health professionals, and the general public.

SEC. 97. Section 432.6 of the Health and Safety Code is amended to read:

432.6. Applications for hospital construction projects for which federal funds are requested shall be submitted to the department, and may be submitted by the state or any political subdivision

thereof or by any public or nonprofit agency authorized to construct and operate a hospital. Each application for a construction project shall conform to federal and state requirements, and shall be submitted in the manner and form prescribed by the department.

Any county which applies for or accepts federal funds for any hospital does so on condition that the hospital for which assistance is requested and accepted, at all times during which it is operated, (a) shall be qualified for a license under Chapter 2 (commencing with Section 1250) of Division 2 (whether or not that chapter is otherwise applicable to the hospital), and be subject to inspection under that chapter to the same extent as are other hospitals to which that chapter applies; and (b) shall not restrict patients to those unable to pay for their care.

SEC. 98. Section 434.5 of the Health and Safety Code is amended to read:

434.5. The department shall, to the extent required by federal law, ascertain and enforce compliance with federal and state provisions and rules and regulations adopted pursuant to this section during the period that an applicant who receives federal assistance remains obligated in order to assure the provision of uncompensated services for persons unable to pay for those services.

The department shall adopt rules and regulations, in accordance with applicable federal regulations and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for administering federal requirements for uncompensated services for persons unable to pay for those services. The rules and regulations shall include all of the following:

(a) Identify categories of persons eligible for uncompensated services.

(b) Define the services that applicants may provide to meet their obligations under this section.

(c) Require obligated facilities to submit information, data, budgets, and reports, in a form and manner as the department may prescribe, describing the method under which the facility elects to establish the level at which it will provide uncompensated services.

(d) Permit department approval of requests to provide uncompensated services at a lesser level than prescribed, based on facility's inability to provide the prescribed level.

(e) Specify procedures for public hearings to inform the public of levels of uncompensated services to be provided by individual facilities or to resolve disputes and complaints relating to such levels.

(f) Set forth procedures for publication of notice concerning public hearings and, thereafter, for notices announcing the levels of uncompensated services to be provided by facilities.

(g) Describe the surveillance program utilized by the department to assure that individual facility's obligations to provide a determined level of uncompensated services are met.

SEC. 99. Section 437.7 of the Health and Safety Code is amended to read:

437.7. In order to assure availability of objective and impartial review by planning groups (referred to as area health planning agencies) of proposals for health facility projects as set forth in Section 437.10, the Advisory Health Council shall evaluate and shall designate annually no more than one area health planning agency for any area of the state designated by the council, provided the agency shall be incorporated as a nonprofit corporation and be controlled by a board of directors consisting of a majority representing the public and local government as consumers of health services with the balance being broadly representative of the providers of health services and the health professions, or alternatively be a health systems agency established pursuant to Public Law 93-641. The functions of area health planning agencies shall be all of the following:

(a) To review information on utilization of hospitals and related health facilities.

(b) To develop area plans to be used for the determination of community need and desirability of projects specified in Section 437.10, consistent with the regulations adopted by the Office of Statewide Health Planning and Development pursuant to Section 437.8. Each plan shall become effective upon a determination by the council that the plan is in conformance with regulations adopted pursuant to Section 437.8. The council shall integrate all of these area plans into a single Statewide Health Facilities and Services Plan, which shall become effective upon formal adoption by the council.

(c) To conduct public meetings in which providers of health care and consumers will be encouraged to participate.

(d) To review applications for certificates of need, as required by Section 437.10, and make recommendations to the office as to the need and desirability for the project proposed in the application, based upon the statewide and area plans adopted pursuant to subdivision (b) or, prior to the adoption of those plans, based upon the existing plans specified in Section 437.9. However, an area health planning agency may, with the concurrence of the office, waive participation in the review of all or any applications or class of applications.

(e) To make written findings of fact and recommendations to be delivered to the applicant and filed with the office as a public record.

Area health planning agencies shall comply with all of the following requirements:

(1) The governing body of the agency shall, to the extent feasible, be composed of individuals representative of the major social, economic, linguistic, and racial populations, and geographic areas, within the area served by the agency.

(2) The agency shall hold public meetings and hearings only after reasonable public notice. The notice shall, to the extent feasible, be publicized directly to those who, as determined by the director, are medically underserved and are in other ways denied equal access to good medical care.

(3) The agency shall file with the Advisory Health Council an affirmative action employment plan approved by the office.

Area health planning agencies may divide their areas into local areas for purposes of more effective health facility planning, with the approval of the Advisory Health Council. These local areas shall be of a geographic size and contain adequate population to insure a broad base for planning decisions. Each local area shall contain a local health planning agency which shall meet the requirements of this section.

An organization which meets the requirements of this section may make application to its area health planning agency for designation as a local health planning agency for a designated area. Within 45 days after a complete application for designation has been received, the area agency shall reach a decision concerning the application.

Each area health planning agency existing on September 9, 1976, shall continue to function as an area planning agency pursuant to this part, and shall provide review and recommendations on applications for certificates of need until such time as one or more designated health systems agencies are fully operational, as determined by the Advisory Health Council in the area served, or formerly served, by the respective area health planning agency.

If the Advisory Health Council determines that an area health planning agency approved under this section is dissolved or unable to carry out the functions required by this part, the office shall fulfill the responsibilities of an area health planning agency, pursuant to this part, in the area until such time as another area health planning agency is designated by the Advisory Health Council for that area and becomes fully operational.

Adoption of regulations setting forth administrative procedures for area and local area health planning agencies shall be made by the office pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 100. Section 437.119 of the Health and Safety Code is amended to read:

437.119. (a) The office shall exempt from the provisions of Sections 438 to 438.13, inclusive, and shall issue a certificate of need for those projects where the applicant has shown and the director has found that the project is for a pediatric freestanding outpatient hemodialysis unit operated under an associational agreement with a university medical school renal transplant and dialysis program, and will be used exclusively for the provision of outpatient dialysis services to children, and is undertaken by a provider of dialysis services which meet the requirements for participation in the federal Medicare End-Stage Renal Disease Program. Any unit given an exemption under this subdivision shall not use the facility for any purpose other than the provision of outpatient dialysis services to children unless a certificate of need is obtained pursuant to this part.

Dialysis services provided in facilities authorized by this subdivision shall not be reimbursed by funds appropriated for the



kidney diseases-chronic uremia program established pursuant to Article 7.7 (commencing with Section 417) of Chapter 2 of Part 1.

(b) Except as otherwise provided in subdivision (a), a certificate of exemption issued pursuant to this section or Section 1268 shall for all purposes have the same effect as a certificate of need issued pursuant to this part.

SEC. 101. An article heading is added to Part 1.95 of Division 1, immediately preceding Section 446, of the Health and Safety Code, to read:

#### Article 1. General Provisions

SEC. 102. The heading of Article 3 (commencing with Section 447.10) of Part 1.95 of Division 1 of the Health and Safety Code is amended and renumbered to read:

#### Article 2. Health Professions Careers Opportunity Program

SEC. 103. Section 447.14 of the Health and Safety Code is amended to read:

447.14. The Office of Statewide Health Planning and Development shall maintain a Health Professions Career Opportunity Program which shall include, but not be limited to, all of the following:

(a) Producing and disseminating a series of publications aimed at informing and motivating minority and disadvantaged students to pursue health professional careers.

(b) Conducting a conference series aimed at informing those students of opportunities in health professional training and mechanisms of successfully preparing to enter such training.

(c) Providing support and technical assistance to health professional schools and colleges as well as student and community organizations active in minority health professional development.

(d) Conducting relevant manpower information and data analysis in the field of minority and disadvantaged health professional development.

(e) Providing necessary consultation, recruitment, and counseling through other means.

(f) Supporting and encouraging minority health professionals in training to practice in health professional shortage areas of California.

SEC. 104. Section 1275 of the Health and Safety Code is amended to read:

1275. The state department shall adopt, amend, or repeal, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code and Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13 of this code, such reasonable rules and regulations as may be necessary or proper to carry out the purposes and intent of this chapter and to

enable the state department to exercise the powers and perform the duties conferred upon it by this chapter, not inconsistent with any statute of this state including, but not limited to, the State Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13.

All regulations in effect on December 31, 1973, which were adopted by the State Board of Public Health, the State Department of Public Health, the State Department of Mental Hygiene, or the State Department of Health relating to licensed health facilities shall remain in full force and effect until altered, amended, or repealed by the director or pursuant to Section 25 or other provisions of law.

SEC. 105. Section 1661 of the Health and Safety Code is amended to read:

1661. The provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, shall be applicable to all the rules and regulations promulgated by the department under this chapter.

SEC. 106. Section 4028 of the Health and Safety Code is amended to read:

4028. (a) When any primary drinking water standard specified in the department's regulations is not complied with, when a monitoring requirement specified in the department's regulations is not performed, or when a water purveyor fails to comply with the conditions of any variance or exemption, the person operating the public water system shall notify the department and shall give notice to the users of that fact in the manner prescribed by the department. When a variance or exemption is granted, the person operating the public water system shall give notice to the users of that fact.

(b) When a person operating a public water system determines that a significant rise in the bacterial count of water has occurred in water he or she supplies, the person shall provide, at his or her expense, a report on the rise in bacterial count of the water, together with the results of an analysis of the water within 24 hours to the department and, where appropriate, to the county health officer.

(c) When the department receives the information described in subdivision (b) and determines that it constitutes an immediate danger to health, the department shall immediately notify the person operating the public water system to implement the emergency notification plan required by this chapter.

(d) In the case of a failure to comply with any primary drinking water standard which represents an imminent danger to the health of water users, the operator shall notify each of his or her customers as provided in the approved emergency notification plan.

(e) The content of notices required by this section shall be approved by the department. Notice shall be repeated at intervals as required by the department until the department concludes that there is compliance with its standards or requirements. Notices may be given by the department.

SEC. 107. Section 4074 of the Health and Safety Code is amended

to read:

4074. The director, with the approval of the advisory committee, shall adopt rules and regulations and certification standards necessary to carry out the provisions of this chapter, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall submit those rules and regulations to the board for its review and approval.

SEC. 108. Section 11100 of the Health and Safety Code is amended to read:

11100. (a) Any manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes any of the following substances to any person in this state shall submit a report to the Department of Justice of all of those transactions:

- (1) Phenyl-2-propanone
- (2) Methylamine
- (3) Ethylamine
- (4) D-lysergic acid
- (5) Ergotamine tartrate
- (6) Diethyl malonate
- (7) Malonic acid
- (8) Ethyl malonate
- (9) Barbituric acid
- (10) Piperidine
- (11) N-acetylanthranilic acid
- (12) Pyrrolidine
- (13) Phenylacetic acid
- (14) Anthranilic acid.
- (15) Morpoline.

(b) The Department of Justice may adopt rules and regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code that add substances to subdivision (a) if the substance is a precursor to a controlled substance and delete substances from subdivision (a). However, no regulation adding or deleting a substance shall have any effect beyond March 1 of the year following the calendar year during which the regulation was adopted.

(c) This section shall not apply to any of the following:

(1) Any pharmacist or other authorized person who sells or furnishes such substance upon the prescription of a physician, dentist, podiatrist, or veterinarian.

(2) Any physician, dentist, podiatrist, or veterinarian who administers or furnishes such substance to his or her patients.

(3) Any manufacturer or wholesaler licensed by the California State Board of Pharmacy who sells, transfers, or otherwise furnishes such substance to a licensed pharmacy, physician, dentist, podiatrist, or veterinarian.

(d) Any manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes the substance specified in subdivision (a) to a person in this state shall, not less than 21 days

prior to delivery of the substance, submit a report of the transaction to the Department of Justice. However, the Department of Justice may authorize the submission of the reports on a monthly basis with respect to repeated, regular transactions between the furnisher and the recipient involving the same substance if the Department of Justice determines that either of the following exist:

(1) A pattern of regular supply of the substance exists between the manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes such substance and the recipient of the substance.

(2) The recipient has established a record of utilization of the substance for lawful purposes.

(e) The Department of Justice shall grant an exemption from the reporting requirements of this section to any person who supplies a substance specified in subdivision (a) who can demonstrate, to the department's satisfaction, that the recipient requires the substance for a lawful purpose and that special circumstances prevent the supplier from reporting the transaction to the department not less than 21 days prior to delivery.

(f) (1) Any person specified in subdivision (d) who does not submit a report as required by that subdivision shall be punished by imprisonment in the county jail not exceeding six months or by a fine not exceeding five thousand dollars (\$5,000) or by both the fine and imprisonment.

(2) Any person specified in subdivision (d) who has been previously convicted of a violation of subdivision (d) who subsequently does not submit a report as required by subdivision (d) shall be punished by imprisonment in the state prison, or by imprisonment in the county jail not exceeding one year, or by a fine not exceeding one hundred thousand dollars (\$100,000), or by both the fine and imprisonment.

SEC. 109. Section 11263 of the Health and Safety Code is amended to read:

11263. Any physician and surgeon may apply to the Research Advisory Panel to conduct clinical trials of cannabis or any of its derivatives. The application shall follow the guidelines of the Research Advisory Panel. No patient shall be included in an application, unless the patient's consent is first obtained. The applications, their contents, and related correspondence and records shall be confidential and are not subject to disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

Each application shall be reviewed by the Research Advisory Panel in executive session, which may in its discretion require an appearance by the applicant or copies of pertinent medical records of proposed patient subjects.

Chapters 3.5 (commencing with Section 11340) and 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code do not apply to the pilot program

conducted pursuant to this article.

SEC. 110. Section 11372.5 of the Health and Safety Code is amended to read:

11372.5. (a) Every person who is convicted of a violation of Section 11350, 11351, 11352, 11358, 11359, 11363, 11364, 11368, 11377, 11378, 11378.5, 11379, 11379.5, or 11383, subdivision (a) or (c) of Section 11357, or subdivision (a) of Section 11360, shall, as part of any fine imposed, pay an increment in the amount of fifty dollars (\$50) for each separate offense. The courts shall increase the total fine as necessary to include this increment.

With respect to those offenses specified in this subdivision for which a fine is not authorized by other provisions of law, the court may upon conviction impose a fine in the amount of fifty dollars (\$50), which shall constitute the increment prescribed by this section and which shall be in addition to any other penalty authorized by law.

(b) The county treasurer shall maintain a criminalistics laboratories fund. The sum of fifty dollars (\$50) shall be deposited into the fund for every conviction under Section 11350, 11351, 11352, 11358, 11359, 11363, 11364, 11368, 11377, 11378, 11378.5, 11379, 11379.5, or 11383, subdivision (a) or (c) of Section 11357, or subdivision (a) of Section 11360, from fines, forfeitures, and other moneys which are transmitted by the courts to the county treasurer pursuant to Section 11502. The deposits shall be made prior to any transfer pursuant to Section 11502. The county may retain an amount of such money equal to its administrative cost incurred pursuant to this section. Moneys in the criminalistics laboratories fund shall, except as otherwise provided in this section, be used by the county exclusively to fund all of the following:

(1) Costs incurred by criminalistics laboratories providing microscopic and chemical analyses for controlled substances, in connection with criminal investigations conducted within both the incorporated or unincorporated portions of the county.

(2) The purchase and maintenance of equipment for use by these laboratories in performing the analyses.

(3) Continuing education, training, and scientific development of forensic scientists regularly employed by these laboratories.

(c) As used in this section, "criminalistics laboratory" means a laboratory operated by, or under contract with, a public agency, including a criminalistics laboratory of the Department of Justice, which meets both of the following requirements:

(1) It has not less than one regularly employed forensic scientist engaged in the analysis of solid-dose controlled substances.

(2) It is registered as an analytical laboratory with the Drug Enforcement Administration of the United States Department of Justice for the possession of all scheduled controlled substances.

In counties served by criminalistics laboratories of the Department of Justice, amounts deposited in the criminalistics laboratories fund, after deduction of appropriate county overhead charges attributable

to the collection thereof, shall be paid by the county treasurer once a month to the Controller for deposit into the state's General Fund, and shall be excepted from the expenditure requirements otherwise prescribed by this subdivision.

The county treasurer shall, at the conclusion of each fiscal year, determine the amount of any funds remaining in the special fund established pursuant to this section after expenditures for that fiscal year have been made for the purposes herein specified. The county treasurer shall annually distribute such surplus funds in accordance with the allocation scheme for distribution of fines and forfeitures set forth in Section 11502.

SEC. 111. Section 11480 of the Health and Safety Code is amended to read:

11480. The Legislature finds that there is a need to encourage further research into the nature and effects of marijuana and hallucinogenic drugs and to coordinate research efforts on such subjects.

There is a Research Advisory Panel which consists of a representative of the State Department of Health Services, a representative of the California State Board of Pharmacy, a representative of the Attorney General, a representative of the University of California who shall be a pharmacologist, a physician, or a person holding a doctorate degree in the health sciences, a representative of a private university in this state who shall be a pharmacologist, a physician, or a person holding a doctorate degree in the health sciences, a representative of a statewide professional medical society in this state who shall be engaged in the private practice of medicine and shall be experienced in treating controlled substance dependency, a representative appointed by and serving at the pleasure of the Governor who shall have experience in drug abuse, cancer, or controlled substance research and who is either a registered nurse, licensed pursuant to Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code, or other health professional. The Governor shall annually designate the private university and the professional medical society represented on the panel. Members of the panel shall be appointed by the heads of the entities to be represented, and they shall serve at the pleasure of the appointing power.

The Research Advisory Panel shall appoint two special members to the Research Advisory Panel, who shall serve at the pleasure of the Research Advisory Panel only during the period Article 6 (commencing with Section 11260) of Chapter 5 remains effective. The additional members shall be physicians and surgeons, and who are board certified in oncology, ophthalmology, or psychiatry.

The panel shall annually select a chairman from among its members.

The panel may hold hearings on, and in other ways study, research projects concerning marijuana or hallucinogenic drugs in this state. Members of the panel shall serve without compensation, but shall be

reimbursed for any actual and necessary expenses incurred in connection with the performance of their duties.

The panel may approve research projects, which have been registered by the Attorney General, into the nature and effects of marijuana or hallucinogenic drugs, and shall inform the Attorney General of the head of the approved research projects which are entitled to receive quantities of marijuana pursuant to Section 11478.

The panel may withdraw approval of a research project at any time, and when approval is withdrawn shall notify the head of the research project to return any quantities of marijuana to the Attorney General.

The panel shall report annually to the Legislature and the Governor those research projects approved by the panel, the nature of each research project, and, where available, the conclusions of the research project.

SEC. 112. Section 12000 of the Health and Safety Code is amended to read:

12000. For the purposes of this part, "explosives" means any substance, or combination of substances, the primary or common purpose of which is detonation or rapid combustion, and which is capable of a relatively instantaneous or rapid release of gas and heat, or any substance, the primary purpose of which, when combined with others, is to form a substance capable of a relatively instantaneous or rapid release of gas and heat. "Explosives" includes, but is not limited to, any of the following:

(a) Dynamite, nitroglycerine, picric acid, lead azide, fulminate of mercury, black powder, smokeless powder, propellant explosives, detonating primers, blasting caps, or commercial boosters.

(b) Substances determined to be class A and class B explosives as classified by the United States Department of Transportation.

(c) Nitro carbo nitrate substances (blasting agent) as classified by the United States Department of Transportation.

(d) Any material designated as an explosive by the State Fire Marshal. The designation shall be made pursuant to the classification standards established by the United States Department of Transportation. The State Fire Marshal shall adopt regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code to establish procedures for the classification and designation of explosive materials or explosive devices that are not under the jurisdiction of the United States Department of Transportation.

(e) Certain class C explosives as designated by the United States Department of Transportation when listed in regulations adopted by the State Fire Marshal.

For the purposes of this part, "explosives" does not include any destructive device, as defined in Section 12301 of the Penal Code, nor does it include ammunition or small arms primers manufactured for use in shotguns, rifles, and pistols.

SEC. 113. Section 13151 of the Health and Safety Code is

amended to read:

13151. The State Fire Marshal shall prepare and adopt regulations in accordance with the provisions of the Administrative Procedure Act (commencing with Section 11340 of the Government Code), which in his or her judgment are designed to promote the safe use of portable internal combustion engine-driven pumps used for the transfer of flammable and combustible liquids.

SEC. 114. Section 13160 of the Health and Safety Code is amended to read:

13160. With the advice of the State Fire Advisory Board, the State Fire Marshal shall adopt, in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and administer regulations and standards as he or she may deem necessary for the protection and preservation of life and property to control the servicing, including charging, and testing, of all portable fire extinguishers for controlling and extinguishing fires, and for controlling the sale and marketing of all such devices with respect to conformance with standards of their use, capacity, and effectiveness. In adopting the regulations, the State Fire Marshal shall consider the standards of the National Fire Protection Association.

SEC. 115. Chapter 4 (commencing with Section 13220) of Part 2 of Division 12 of the Health and Safety Code, as added by Chapter 403 of the Statutes of 1981, is repealed. The repeal made by this section shall not affect the existence or validity of Chapter 4 (commencing with Section 13220) of Part 2 of Division 12 of the Health and Safety Code, as added by Chapter 557 of the Statutes of 1981.

SEC. 116. The heading of Chapter 4 (commencing with Section 13250) of Part 2 of Division 12 of the Health and Safety Code, as added by Chapter 345 of the Statutes of 1981, is amended and renumbered to read:

#### CHAPTER 7. CIVIL ACTIONS TO ABATE FIRE HAZARDS

SEC. 117. Section 17020 of the Health and Safety Code is amended to read:

17020. Except as otherwise provided in this part, the provisions of this part, building standards published in the State Building Standards Code relating to labor camps, and the other rules and regulations promulgated pursuant to the provisions of this part which relate to labor camps apply in all parts of the state and supersede any ordinance or regulations enacted by any city, county, or city and county applicable to labor camps. Rules and regulations adopted or continued in effect prior to January 1, 1980, by former Chapter 4 (commencing with Section 2610) of Part 9 of Division 2 of the Labor Code are hereby continued in effect as rules and regulations under this part until amended or repealed by the Department of Housing and Community Development.



Building standards as defined by Section 18909 shall remain in effect only until January 1, 1985, or until adopted, amended, or superseded by provisions published in the State Building Standards Code relating to labor camps pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5, whichever occurs sooner.

SEC. 118. Section 17031 of the Health and Safety Code is amended to read:

17031. (a) The operator of a labor camp on a farm, which meets the requirements of Section 32505 of the Food and Agricultural Code, consisting only of permanent housing may request an exemption from the requirement of obtaining an annual permit to operate. The labor camp operator shall notify each tenant of the permanent housing in writing that such an exemption is being requested. The request for exemption shall be made in writing to the enforcement agency.

An exemption shall be granted to permanent housing unless the housing is in violation of the State Housing Law, building standards published in the State Building Standards Code relating to labor camps, or the other regulations adopted pursuant to the State Housing Law in a manner which materially affects the health and safety of the occupants, or in the case of a mobilehome, is in violation of the National Mobile Home Construction and Safety Act of 1974 (42 U.S.C. 5401, et seq.) or regulations of the department pursuant to Section 18056.5 in a manner which materially affects the health and safety of the occupants, or has been found in violation of this chapter within the previous two years.

(b) Whenever the enforcement agency issues an exemption from the requirement of obtaining a permit to operate, it shall make written findings indicating the reasons for issuing the exemption. Exemptions shall be reviewed annually by the enforcement agency.

The findings of the enforcement agency shall include, but not be limited to, all of the following information:

- (1) The year the dwellings on the labor camp were constructed.
- (2) The number of years the labor camp has been operated with a valid permit to operate.
- (3) The number and character of any complaints received during the time the labor camp has been operating either with or without a permit.

- (4) Any violations cited in the last inspection of the labor camp.

(c) Failure to maintain any permanent housing in accordance with the State Housing Law, or, in the case of mobilehomes, failure to maintain such mobilehomes in accordance with the provisions of Part 2.1 (commencing with Section 18200) of Division 13, and the regulations adopted pursuant thereto, in a manner which materially affects the health and safety of the occupants, shall be considered cause for revocation of an exemption.

SEC. 119. Section 17036 of the Health and Safety Code is amended to read:

17036. Except as provided in Section 18930, the department shall adopt regulations which it determines are necessary for the administration and enforcement of this part. The regulations adopted, amended, or repealed shall prescribe reasonable requirements for issuance of permits and establish procedures for suspension of permits, including appeal procedures.

The department shall establish a schedule of fees to pay for the cost of administration and enforcement of this part.

SEC. 120. Section 17040 of the Health and Safety Code is amended to read:

17040. (a) Except as provided in Section 18930, the department shall adopt, amend, or repeal rules and regulations for the protection of the public health, safety, and general welfare of employees and the public, governing the erection, construction, enlargement, conversion, alteration, repair, occupancy, use, sanitation, ventilation, and maintenance of all labor camps.

(b) The appropriate enforcement agency shall enforce building standards published in the State Building Standards Code relating to labor camps and other regulations of the department promulgated pursuant to subdivision (a).

(c) The department shall adopt and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 for the purposes described in this chapter.

SEC. 121. Section 17041 of the Health and Safety Code is amended to read:

17041. Except as provided in Section 17011, the rules and regulations adopted, amended, or repealed from time to time pursuant to this part shall be consistent with accepted standards and practices reasonably applicable to permanent and temporary labor camps and the utilization of housing or camping facilities. In promulgating rules and regulations, the department shall consider, among other things, geographic, topographic, and climatic conditions. The department may establish a schedule of fees for the construction and operation of labor camps wherever the department is the enforcing agency.

SEC. 122. Section 17042 of the Health and Safety Code is amended to read:

17042. Notwithstanding any other provision of this code or of law, and except as provided in the State Building Standards Law, Part 2.5 (commencing with Section 18900), on and after January 1, 1980, the department shall not adopt or publish a building standard as defined in Section 18909, unless the provisions of Sections 18930, 18933, 18938, 18940, 18943, 18944, and 18945 are expressly excepted in the statute under which the authority to adopt rules, regulations, or orders is delegated. Any building standard adopted in violation of this section shall have no force or effect. Any building standard adopted before January 1, 1980, or continued in effect, pursuant to this part and not expressly excepted by statute from the provisions of the State Building Standards Law, shall remain in effect only until January 1,

1985, or until adopted, amended, or superseded by provisions published in the State Building Standards Code, whichever occurs sooner.

SEC. 123. Section 17050 of the Health and Safety Code is amended to read:

17050. (a) Except as provided in Section 18930, the Department of Housing and Community Development may promulgate rules and regulations to interpret and make specific the provisions of this part and when adopted those rules and regulations shall apply to all parts of the state.

(b) Upon written notice to the Department of Housing and Community Development, any city, county, or city and county may assume the responsibility for the enforcement of this part, the building standards published in the State Building Standards Code relating to labor camps, and the other regulations adopted pursuant to the provisions of this part following approval by the department for that assumption.

(c) The Department of Housing and Community Development shall adopt regulations which shall set forth the conditions for assumption and may include required qualifications of local enforcement agencies. When assumption is approved, the department shall transfer the responsibility for enforcement to the city, county, or city and county, together with all records of labor camps within its jurisdiction.

(d) A city, county, or city and county may, by ordinance, establish a schedule of fees for the operation of labor camps not to exceed that which is established by the department.

(e) In the event of nonenforcement of this part, the building standards published in the State Building Standards Code relating to labor camps, or the other rules and regulations adopted pursuant to the provisions of this part, the department shall enforce the provisions of this part, the building standards published in the State Building Standards Code relating to labor camps, and the rules and regulations adopted pursuant to the provisions of this part in any city, county, or city and county after the department has given written notice to the governing body of the city, county, or city and county setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and has failed to initiate corrective measures to carry out its responsibility within 30 days of the date of the notice.

(f) The department shall conduct an annual evaluation of the enforcement of this part, the building standards published in the State Building Standards Code relating to labor camps, and the other regulations adopted pursuant to the provisions of this part by each city, county, or city and county which has assumed responsibility for enforcement.

(g) Except as provided in Section 18945, the department shall be sole judge as to whether the local enforcement agency is properly enforcing such provisions. Except as provided in Section 18945, the

local enforcement agency shall have the right to appeal the decision to the department.

(h) Any city, county, or city and county, upon written notice from the governing body to the department, may cancel its assumption of responsibility for the enforcement of these provisions. The department, upon receipt of that notice, shall assume the responsibility within 30 days.

(i) The enforcement agency may:

(1) Enter public or private properties to determine whether there exists any labor camp to which this part applies.

(2) Enter and inspect all labor camps wheresoever situated, and inspect all accommodations, equipment, or paraphernalia connected therewith.

(3) Enter and inspect the land adjacent to the labor camp to determine whether the sanitary and other requirements of this part, the building standards published in the State Building Standards Code relating to labor camps, and the other rules and regulations adopted pursuant to the provisions of this part have been or are being complied with.

SEC. 124. Section 17920.7 of the Health and Safety Code is amended to read:

17920.7. (a) Except as provided in Section 18930, the State Fire Marshal shall adopt, amend, and repeal fire safety rules and regulations, and, except as otherwise provided in this part, the State Fire Marshal shall enforce building standards published in the State Building Standards Code and those other rules and regulations adopted by the State Fire Marshal for the provision of structural fire safety and fire-resistant exits in multiple-story structures existing on January 1, 1975, let for human habitation including, and limited to, apartment houses, hotels, and motels wherein rooms used for sleeping are let above the ground floor. The State Fire Marshal shall adopt, amend, or repeal and shall submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5. The rules and regulations and building standards shall provide adequate safety to the occupants and the general public, and shall be consistent with the requirements contained in subdivisions (d), (e), (f), (g), (h), (i), (k), and (l) of Section 1313 of Chapter 13 of the appendix of the Uniform Building Code, 1970 edition, as adopted by the International Conference of Building Officials.

Except as provided in Section 18930, the department, with the written approval of the State Fire Marshal, may allow reasonable exceptions to subdivisions (e) and (g) of Section 1313 to permit the continued use of existing stairs and to subdivision (l) of Section 1313 to permit equivalent protection in lieu of occupancy separations. However, the exceptions shall not impair occupant safety and shall be consistent with the legislative intent of this section.

The building standards adopted by the State Fire Marshal and submitted for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 shall not require that interior stairs and

vertical openings be enclosed in two-story buildings.

(b) Notwithstanding subdivision (a), any city, county, or city and county may adopt building standards for structural fire safety and fire-resistant exits in structures subject to this section, provided that those building standards are substantially equivalent in fire safety to the building standards published in the State Building Standards Code. Each city, county, or city and county adopting alternative standards shall submit a detailed statement, with supporting data, to the State Fire Marshal demonstrating the equivalency of the alternate standards to the state building standards and other regulations adopted by the State Fire Marshal. The State Fire Marshal shall make a finding as to the equivalency of alternate local standards to those requirements. It is the intention of the Legislature that the building standards adopted and published in the State Building Standards Code shall be consistent with the requirements for new construction contained in the Uniform Building Code, 1970 edition, as adopted by the International Conference of Building Officials, except as otherwise required by state or federal law.

(c) This section shall not apply to any apartment house, hotel, or motel existing on May 14, 1979, having floors, as measured from the top of the floor surface, used for human occupancy located more than 75 feet above the lowest floor level having building access which is subject to Chapter 3 (commencing with Section 13210) of Part 2 of Division 12 relating to high rise buildings existing on May 14, 1979.

(d) The enforcement agency shall make inspections to the extent necessary to identify the structures within its jurisdiction in violation of the rules and regulations adopted by the State Fire Marshal pursuant to this section, and all structures subject to this section shall be conformed to the requirements contained in those regulations.

SEC. 125. Section 17920.9 of the Health and Safety Code is amended to read:

17920.9. (a) The department shall adopt, amend, or repeal, and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, and the department shall adopt, amend, and repeal such regulations as are necessary for the provision of minimum fire safety and fire-resistant standards relating to the manufacture, composition, and use of foam building systems manufactured for use, or used, in construction of buildings subject to this part, mobilehomes subject to Part 2 (commencing with Section 18000), or factory-built housing subject to Part 6 (commencing with Section 19960), for the protection of the health and safety of persons occupying those buildings, mobilehomes, or factory-built housing. The department shall enforce building standards published in the State Building Standards Code relating to foam building systems, and other rules and regulations adopted by the department or by federal law. Each manufacturer of foam building systems shall have any foam building system manufactured for use in any building, factory-built housing, or mobilehome listed and labeled by an approved testing agency certifying that the system

meets fire safety and fire-resistant building standards published in the State Building Standards Code adopted by the department. The department shall consult with all available public and private sources to assist in the development of the building standards and other rules and regulations.

“Approved testing agency” means any agency which is determined by rule and regulation of the department to have adequate personnel and expertise to carry out the testing of those systems.

(b) The department shall make inspections of the manufacture of such foam building systems which it determines are necessary to insure compliance with the requirements of subdivision (a).

(c) No person shall sell, offer for sale, or use in construction of buildings subject to this part, mobilehomes subject to Part 2 (commencing with Section 18000), or factory-built housing subject to Part 6 (commencing with Section 19960), in this state, any foam building system, and no person shall sell or offer for sale in this state any such building, mobilehome, or factory-built housing of which a foam building system is a component, which foam building system does not comply with, or has not been listed and labeled by an approved testing agency certifying that the foam building system is in compliance with, the requirements of subdivision (a) on and after the 180th day after the building standards or other rules or regulations become effective.

This subdivision shall not apply to any buildings, mobilehomes, or factory-built housing constructed prior to the 180th day after those standards become effective.

(d) No person shall sell, offer for sale, or use in construction of any building subject to this part, mobilehome subject to Part 2 (commencing with Section 18000), or factory-built housing subject to Part 6 (commencing with Section 19960), in this state, any foam building system, and no person shall sell or offer for sale in this state any such building, mobilehome, or factory-built housing of which a foam building system is a component, if the manufacturer thereof refuses to permit the department to conduct the inspections required by subdivision (b) on and after the 180th day after the building standards or other rules or regulations become effective.

(e) As used in this section:

(1) “Foam” means a material made by mixing organic polymers with air or other gases in a manner that forms a solid substance with holes filled with air or gas when the mixture is allowed to set.

(2) “Foam building system” means a system of building materials composed of, in whole or in part, of foam. It includes, but is not limited to, all combinations of systems such as those composed of foam inserted between and bonded to two boundary surface materials or those composed exclusively of foam.

(3) “Building standard” means building standard as defined in Section 18909.

SEC. 126. Section 17921 of the Health and Safety Code is

amended to read:

17921. (a) Except as provided in subdivision (b), the department shall adopt, amend, or repeal and submit building standards for approval pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5, and the department shall adopt, amend, and repeal other rules and regulations for the protection of the public health, safety, and general welfare of the occupant and the public governing the erection, construction, enlargement, conversion, alteration, repair, moving, removal, demolition, occupancy, use, height, court, area, sanitation, ventilation and maintenance of all hotels, motels, lodginghouses, apartment houses, and dwellings, and buildings and structures accessory thereto. Except as otherwise provided in this part, the department shall enforce those building standards and those other rules and regulations. The other rules and regulations adopted by the department may include a schedule of fees to pay the cost of enforcement by the department under Sections 17952 and 17965.

(b) The State Fire Marshal shall adopt, amend, or repeal and submit building standards for approval pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5, and the State Fire Marshal shall adopt, amend, and repeal other rules and regulations for fire and panic safety in all hotels, motels, lodginghouses, apartment houses and dwellings, buildings, and structures accessory thereto. These building standards and regulations shall be enforced pursuant to Sections 13145 and 13146; however, this section is not intended to require an inspection by a local fire agency of each single-family dwelling prior to its occupancy.

SEC. 127. Section 17922 of the Health and Safety Code is amended to read:

17922. (a) Except as otherwise specifically provided by law, the building standards adopted and submitted by the department for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 and the other rules and regulations adopted, amended, or repealed from time to time pursuant to this chapter shall impose substantially the same requirements as are contained in the most recent editions of the following uniform industry codes as adopted by the organizations specified:

(1) The Uniform Housing Code of the International Conference of Building Officials, except its definition of "substandard building."

(2) The Uniform Building Code of the International Conference of Building Officials.

(3) The Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials.

(4) The Uniform Mechanical Code of the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials.

(5) The National Electrical Code of the National Fire Protection Association.

In adopting building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 for publication in the State Building Standards Code and in promulgating other regulations, the department shall consider local conditions and any amendments to the uniform codes referred to in this section. Except as provided in Part 2.5 (commencing with Section 18901), in the absence of adoption by regulation, the most recent editions of the uniform codes referred to in this section shall be considered to be adopted one year after the date of publication of such uniform codes.

(b) Except as provided in Section 17959.5, local use zone requirements, local fire zones, building setback, side and rear yard requirements, and property line requirements are hereby specifically and entirely reserved to the local jurisdictions notwithstanding any requirements found or set forth in this part.

(c) Regulations other than building standards which are adopted, amended, or repealed by the department, and building standards adopted and submitted by the department for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, governing alteration and repair of existing buildings and moving of apartment houses and dwellings shall permit the replacement, retention, and extension of original materials and the continued use of original methods of construction as long as the hotel, lodginghouse, motel, apartment house, or dwelling, or portions thereof, or building and structure accessory thereto, complies with the provisions published in the State Building Standards Code and the other rules and regulations of the department or alternative local standards adopted pursuant to subdivision (b) of Section 17920.7 or 17958.5 and does not become or continue to be a substandard building. Building additions or alterations which increase the area, volume, or size of an existing building, and foundations for apartment houses and dwellings moved, shall comply with the requirements for new buildings or structures specified in this part, or in building standards published in the State Building Standards Code, or in the other rules and regulations adopted pursuant to this part. However, the additions and alterations shall not cause the building to exceed area or height limitations applicable to new construction.

(d) Regulations other than building standards which are adopted by the department and building standards adopted and submitted by the department for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, governing alteration and repair of existing buildings, shall permit the use of alternate materials, appliances, installations, devices, arrangements, or methods of construction if the material, appliance, installation, device, arrangement, or method is, for the purpose intended, at least the equivalent of that prescribed in this part, the building standards published in the State Building Standards Code, and the rules and regulations promulgated pursuant to the provisions of this part in performance, safety, and for the protection of life and health. Regulations governing abatement of substandard buildings shall



permit those conditions prescribed by Section 17920.3 which do not endanger the life, limb, health, property, safety, or welfare of the public or the occupant thereof.

(e) No local enforcement agency may prohibit the use of materials, appliances, installations, devices, arrangements, or methods of construction specifically permitted by the department to be used in the alteration or repair of existing buildings, but the materials, appliances, installations, devices, arrangements, or methods of construction may be specifically prohibited by local ordinance as provided pursuant to Section 17958.5.

(f) No local ordinance may permit any action or proceeding to abate violations of regulations governing maintenance of existing buildings, unless the building is a substandard building or the violation is a misdemeanor.

SEC. 128. Section 17922.1 of the Health and Safety Code is amended to read:

17922.1. Notwithstanding Section 17922, local agencies may modify or change the requirements published in the State Building Standards Code or contained in other regulations adopted by the department pursuant to Section 17922 if they make a finding that temporary housing is required for use in conjunction with a filed mining claim on federally owned property located within the local jurisdiction and that the modification or change would be in the public interest and consistent with the intent of the so-called Federal Mining Act of 1872 (see 30 U.S.C., Sec. 22, et seq.), relating to the development of mining resources of the United States.

SEC. 129. Section 17924 of the Health and Safety Code is amended to read:

17924. Rules and regulations shall be promulgated pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and no state department, officer, board, agency, committee, or commission shall have power pursuant to the provisions of this part to publish building standards, as defined in Section 18909, but shall adopt and submit such building standards as deemed necessary to carry out the provisions of this part for approval and publishing pursuant to the provisions of Part 2.5 (commencing with Section 18901).

SEC. 130. Section 17925 of the Health and Safety Code is amended to read:

17925. Except as provided in Section 17922.6, any person, firm, corporation, or governmental agency that opposes the application of any applicable building standard published in the State Building Standards Code or any other rule or regulation adopted by the department within a particular local area may request a hearing before the local appeals board regarding the matter. If the local appeals board determines after the hearing that because of local conditions or factors it is not reasonable for the building standard, rule, or regulation to be applied in the local area, the building standard, rule, or regulation shall have no application within that

local area. A copy of the determination of the local appeals board, together with a report of the local conditions upon which the determination is based, shall be filed with the department pursuant to Section 17958.7.

SEC. 131. Section 17927 of the Health and Safety Code is amended to read:

17927. The department shall adopt, amend, or repeal and submit building standards for approval pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5, and the department shall adopt, amend, and repeal other rules and regulations for garage door springs for installation in garages which are accessory to apartment houses, hotels, motels, and dwellings as the department determines are reasonably necessary to prevent the death or injury of persons or damage to property resulting from the breaking of the garage door springs. Except as otherwise provided in this part, the department shall enforce building standards published in the State Building Standards Code relating to garage door springs and other rules and regulations adopted by the department pursuant to this section.

No garage door spring which violates the provisions of any building standard published in the State Building Standards Code relating to garage door springs or any other rule or regulation adopted by the department pursuant to this section shall be sold or offered for sale, or installed in any garage which is accessory to an apartment house, hotel, motel, or dwelling, on or after the date of publication of the building standard or the effective date of the rule or regulation.

SEC. 132. Section 17958.2 of the Health and Safety Code is amended to read:

17958.2. Notwithstanding Section 17958, regulations of the department adopted for limited-density owner-built rural dwellings, which are codified in Article 10 (commencing with Section 142) of Subchapter 1 of Chapter 1 of Title 25 of the California Administrative Code, shall not become operative within any city or county unless and until the governing body of the city or county makes an express finding that the application of those regulations within the city or county is reasonably necessary because of local conditions and the city or county files a copy of that finding with the department.

In adopting ordinances or regulations for limited-density owner-built rural dwellings, a city or county may make such changes or modifications in the requirements contained in Article 10 (commencing with Section 142) of Subchapter 1 of Chapter 1 of Title 25 of the California Administrative Code as it determines are reasonably necessary because of local conditions, provided the city or county files a copy of such changes or modifications and the express findings for the changes or modifications with the department. No change or modification of that type shall become effective or operative for any purpose until the finding and the change or modification has been filed with the department.

SEC. 133. Section 17958.8 of the Health and Safety Code is

amended to read:

17958.8. Local ordinances or regulations governing alterations and repair of existing buildings shall permit the replacement, retention, and extension of original materials and the use of original methods of construction as long as the hotel, lodginghouse, motel, apartment house, or dwelling, or portions thereof, or building and structure accessory thereto, complies with the provisions published in the State Building Standards Code and the other rules and regulations of the department or alternative local standards adopted pursuant to Section 17920.7 and does not become or continue to be a substandard building.

SEC. 134. Section 18931.5 of the Health and Safety Code, as added by Chapter 1003 of the Statutes of 1981, is repealed. The repeal made by this section shall not affect the existence or validity of Section 18931.5 of the Health and Safety Code as added by Chapter 1082 of the Statutes of 1981.

SEC. 135. Section 19990.5 of the Health and Safety Code, as added by Chapter 1152 of the Statutes of 1979, is amended and renumbered to read:

19990.6. The provisions of Section 17920.9, the building standards published in the State Building Standards Code relating to foam building systems, and the other rules and regulations adopted pursuant to Section 17920.9, shall be applicable to the sale, offering for sale, or use in the construction of any factory-built housing of any foam building system, and to any factory-built housing in which any such system is used as a component.

SEC. 136. Section 25845 of the Health and Safety Code is amended to read:

25845. (a) In any proceeding under this chapter for granting or amending any license, or for determining compliance with, or granting exceptions from, rules and regulations promulgated in accordance with this chapter, the department shall afford an opportunity for a hearing on the record upon the request of any person whose interest may be affected by the proceeding, and shall admit that person as a party to such proceeding.

(b) Proceedings for the suspension or revocation of licenses under this chapter shall be conducted in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the department shall have all the powers granted therein.

(c) The adoption, repeal, or amendment of rules and regulations pursuant to this chapter shall be accomplished in conformity with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 137. Section 26202 of the Health and Safety Code is amended to read:

26202. The department may adopt any regulations which it determines are necessary for the enforcement of this division. The regulations shall be adopted by the department in the manner

prescribed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall, insofar as practicable, make these regulations conform with those adopted under the federal act or by the United States Department of Agriculture or by the Internal Revenue Service of the United States Treasury Department.

SEC. 138. Section 28776 of the Health and Safety Code is amended to read:

28776. The regulations shall be adopted by the department in the manner prescribed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Such regulations shall conform as nearly as practicable with regulations promulgated by the United States Department of Health, Education, and Welfare, Food and Drug Administration.

SEC. 139. Section 44520 of the Health and Safety Code is amended to read:

44520. The authority shall, in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, adopt all necessary rules and regulations to carry out its powers and duties under this division. The authority may call upon any board or department of the state government for aid and assistance in the preparation of plans and specifications and in the development of technology necessary to effectively control pollution.

SEC. 140. Section 50459 of the Health and Safety Code is amended to read:

50459. The department shall adopt guidelines for the preparation of housing elements required by Section 65302 of the Government Code. The guidelines initially adopted shall conform as nearly as possible to the guidelines adopted by the commission June 17, 1971, and shall be adopted in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. After consultation with the State Office of Planning and Research, the department may, from time to time, revise those guidelines.

The department may review local housing elements for conformity with the requirements of Section 65302 of the Government Code and guidelines adopted pursuant thereto, and report its findings. The department may, in connection with any loan or grant application submitted to the agency, require submission to it for review of any local housing element and any local housing assistance plan adopted pursuant to provisions of the Housing and Community Development Act of 1974 (P.L. 93-383).

SEC. 141. Section 50900 of the Health and Safety Code is amended to read:

50900. The California Housing Finance Agency is hereby continued in existence in the Business, Transportation and Housing Agency. The agency constitutes a public instrumentality and a political subdivision of the state, and the exercise by the agency of

the powers conferred by this division shall be deemed and held to be the performance of an essential public function.

SEC. 142. Section 50901 of the Health and Safety Code is amended to read:

50901. The agency shall be administered by a board of directors consisting of 11 voting members, including a chairperson selected by the Governor from among his or her appointees. Members in office on January 1, 1978, shall continue to hold office until the expiration of their term, their ceasing to be qualified, or their removal from office. Members in office on January 1, 1981, shall continue to hold office until the expiration of their term, their ceasing to be qualified, or their removal from office. The State Treasurer, the Secretary of the Business, Transportation and Housing Agency, and the Director of Housing and Community Development, or their designees, shall be members, in addition to six members appointed by the Governor, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Rules Committee. The Director of Finance, the Director of the State Office of Planning and Research, and the executive director of the agency shall serve as nonvoting ex officio members of the board.

SEC. 143. Section 50909 of the Health and Safety Code is amended to read:

50909. The compensation of the executive director shall be established by the board in such amount as is reasonably necessary, in the discretion of the board, to attract and hold a person of superior qualifications. However, the salary of the executive director shall not exceed the salary of the Secretary of the Business, Transportation and Housing Agency. Members of the board shall not receive a salary but shall be entitled to a per diem allowance of fifty dollars (\$50) for each day's attendance at a meeting of the board or a meeting of a committee of the board, not to exceed three hundred dollars (\$300) in any month, and reimbursement for expenses incurred in the performance of their duties under this part, including travel and other necessary expenses.

SEC. 144. Section 50913 of the Health and Safety Code is amended to read:

50913. For its activities under this division, the executive director shall prepare a preliminary budget on or before December 1 of each year for the ensuing fiscal year to be reviewed by the Secretary of the Business, Transportation and Housing Agency, the Director of Finance, and the Joint Legislative Budget Committee. An analysis of the agency's proposed budget prepared by the Joint Legislative Budget Committee, together with any comments of the committee, shall be transmitted to the chairpersons of the fiscal committee of each house of the Legislature and to the chairperson of the board prior to the board's final adoption of the agency's budget.

SEC. 145. Section 1063.5 of the Insurance Code is amended to read:

1063.5. Each time an insurer becomes insolvent then, to the

extent necessary to secure funds for the association for payment of covered claims of that insolvent insurer and also for payment of reasonable costs of adjusting the claims, the association shall collect premium payments from its member insurers sufficient to discharge its obligations. The association shall allocate its claim payments and costs, incurred or estimated to be incurred, to one or more of the following categories: (a) workers' compensation claims; (b) automobile claims, which shall include: automobile material damage, automobile liability (both personal injury and death and property damage), medical payments and uninsured motorist claims; and (c) claims other than workers' compensation and automobile, as above defined. Separate premium payments shall be required for each category. The premium payments for each category shall be used to pay the claims and costs allocated to that category. The rate of premium charged shall be a uniform percentage of net direct written premium in the preceding calendar year applicable to that category. The rate of premium charges to each member in the appropriate categories shall initially be based on the written premium of each insurer as shown in the latest year's annual financial statement on file with the commissioner. The initial premium shall be adjusted by applying the same rate of premium charge as initially used to each insurer's written premium as shown on the annual statement for the year following the year in which the initial premium charge is made. The difference between the initial premium charge and the adjusted premium charge shall be refunded or charged to each member insurer by the association as soon as practical after the filing of the annual statements of the member insurers with the commissioner for the year on which the adjusted premium is based. "Net direct written premiums" shall mean the amount of gross premiums, less return premiums and policyholder's dividends paid or allowed, received in that calendar year upon business done in this state, other than premiums received for reinsurance. In cases of a dispute as to the amount of any such net direct written premium between the association and one of its members the written decision of the commissioner shall be final. The premium charged to any member insurer for any of the three categories or a category established by the association shall not be more than 1 percent of the net direct premium written in that category in this state by that member insurer. However, in no event shall the total premium charged a member insurer in one calendar year exceed 1 percent of the net direct premium written by the member insurer in one calendar year. The association may exempt or defer, in whole or in part, the assessment of any member insurer, if the assessment would cause the member insurer's financial statement to reflect an amount of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. However, during the period of deferment, no dividends shall be paid to shareholders or policyholders by the company whose assessment was deferred.

Deferred assessments shall be paid when the payment will not reduce capital or surplus below required minimums. These payments shall be refunded to those companies receiving larger assessments by virtue of the deferment, or, in the discretion of any such company, credited against future assessments. The premium charges shall be recognized in the ratemaking procedures for insurance rates in the same manner that losses are recognized or as otherwise provided in this article. After all covered claims of the insolvent insurer and expenses of administration have been paid, any unused premiums and any reimbursements or claims dividends from the liquidator remaining in any category either shall be refunded by the association to the member insurers who paid the premiums for that category in proportion to their premiums paid or retained by the association and applied to reduce future premium charges in the appropriate category. However, an insurer which ceases to be a member of the association shall have no right to a refund of any premium previously remitted to the association. The commissioner may suspend or revoke the certificate of authority to transact business in this state of a member insurer which fails to pay a premium when due and after demand has been made.

Interest at a rate equal to the current federal reserve discount rate plus 2½ percent per annum shall be added to the premium of any member insurer which fails to submit the premium requested by the association within 30 days after such mailing request. However, in no event shall the interest rate exceed the legal maximum.

SEC. 146. Section 1759 of the Insurance Code is amended to read:

1759. For purposes of this chapter, "administrator" means any person who collects charges or premiums from, or who adjusts or settles claims on, residents of this state in connection with life or health insurance coverage or annuities other than any of the following:

(a) An employer on behalf of its employees or the employees of one or more subsidiary or affiliated corporations of that employer.

(b) A union on behalf of its members.

(c) An insurance company which is either licensed in this state or acting as an insurer with respect to a policy lawfully issued and delivered by it in and pursuant to the laws of a state in which the insurer was authorized to do an insurance business or prepaid hospital or health care service plan (including their sales representatives licensed in this state when engaged in the performance of their duties as such).

(d) A life or health agent or broker licensed in this state, whose activities are limited exclusively to the sale of insurance.

(e) A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors.

(f) A trust, its trustees, agents, and employees acting thereunder, established in conformity with 29 U.S.C. 186.

(g) A trust exempt from taxation under Section 501(a) of the Internal Revenue Code, its trustees, and employees acting

thereunder, or a custodian, its agents and employees acting pursuant to a custodian account which meets the requirements of Section 401(f) of the Internal Revenue Code.

(h) A bank, credit union or other financial institution which is subject to supervision or examination by federal or state regulatory authorities.

(i) A company which advances for and collects premiums or charges from its credit card holders who have authorized it to do so, provided the company does not adjust or settle claims.

(j) A person who adjusts or settles claims in the normal course of his or her practice or employment as an attorney at law, and who does not collect charges or premiums in connection with life or health insurance coverage or annuities.

(k) An adjuster licensed by the Insurance Commissioner when engaged in the performance of his or her duties as such.

(l) A nonprofit agricultural association.

SEC. 147. The heading of Article 3a (commencing with Section 10159.1) of Chapter 1 of Part 2 of Division 2 of the Insurance Code is amended to read:

#### Article 3a. Standard Nonforfeiture Law for Life Insurance

SEC. 148. Section 12200 of the Penal Code is amended to read:

12200. The term "machine gun" as used in this chapter means any weapon which shoots, or is designed to shoot, automatically, more than one shot, without manual reloading, by a single function of the trigger, and includes any frame or receiver which can only be used with that weapon. The term shall also include any combination of parts designed and intended for use in converting a weapon into a machine gun.

SEC. 149. Section 12590 of the Penal Code is amended to read:

12590. (a) Any person who does any of the following acts while engaged in picketing, or other informational activities in a public place relating to a concerted refusal to work, is guilty of a misdemeanor:

(1) Carries concealed upon his person or within any vehicle which is under his or her control or direction any pistol, revolver, or other firearm capable of being concealed upon the person.

(2) Carries a loaded firearm upon his or her person or within any vehicle which is under his or her control or direction.

(3) Carries a deadly weapon.

(4) Wears the uniform of a peace officer, whether or not the person is a peace officer.

(b) This section shall not be construed to authorize or ratify any picketing or other informational activities not otherwise authorized by law.

(c) Section 12027 shall not be construed to authorize any conduct described in paragraph (1) of subdivision (a), nor shall subdivision (b) of Section 12031 be construed to authorize any conduct described



in paragraph (2) of subdivision (a).

SEC. 150. Section 321 of the Public Utilities Code, as added by Chapter 1196 of the Statutes of 1980, is repealed. The repeal made by this section shall not affect the existence or validity of Section 321 of the Public Utilities Code, as added by Chapter 837 of the Statutes of 1982.

SEC. 151. Section 2961 of the Public Utilities Code is amended to read:

2961. Upon the adoption of an ordinance of intention, or the presentation of a petition, as provided in Article 2 (commencing with Section 2931), the legislative body of the municipal corporation shall, by ordinance, order the holding of a special election for the purpose of submitting to the qualified electors of the municipal corporation the propositions set forth in the ordinance of intention or in the petition, as the case may be, or the legislative body shall, by ordinance, order the submission of the propositions at a general municipal election.

SEC. 152. Section 3586 of the Public Utilities Code is amended to read:

3586. Any operating permit not exercised for a period of one year, inclusive of all periods of suspension, shall lapse and terminate and shall be revoked by the commission. Nonexercise of a permit shall be presumed from nonpayment of the fees required by Chapter 6 (commencing with Section 5001) for four consecutive quarters.

SEC. 153. Section 3592.5 of the Public Utilities Code is amended to read:

3592.5. (a) An application for a permit to operate as a tank truck carrier or a vacuum truck carrier shall be in writing, verified under oath, and shall be in such form, contain such information, and be accompanied by proof of service upon such interested parties as the commission requires.

(b) If, in the judgment of the commission, the applicant has satisfied all requirements of this section, it may issue the requested permit without further proceedings; otherwise it may require the applicant to demonstrate compliance at a public hearing.

(c) Upon issuance of a permit pursuant to this section, all prior operating authority authorizing transportation included in the provisions of the permit is revoked.

SEC. 154. Section 3615 of the Public Utilities Code is amended to read:

3615. Any operating permit not exercised for a period of one year shall lapse and terminate and shall be revoked by the commission. Nonexercise of a permit shall be presumed from nonpayment of the fees required by Chapter 6 (commencing with Section 5001) for four consecutive quarters.

SEC. 155. Section 3634 of the Public Utilities Code is amended to read:

3634. The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance or surety

bond shall not be cancelable on less than 30 days' written notice to the commission, except in the event of cessation of operations as a highway carrier as approved by the commission.

SEC. 156. Section 3904 of the Public Utilities Code is amended to read:

3904. Unless the context otherwise requires, the definitions and general provisions set forth in Chapter 1 (commencing with Section 3501) shall govern the construction of this chapter.

SEC. 157. Section 5004 of the Public Utilities Code is amended to read:

5004. The following fees shall be paid to the commission, pursuant to permits issued under the Highway Carriers' Act (Chapter 1 (commencing with Section 3501)):

(a) Five hundred dollars (\$500) for filing each application for a permit, except applications for a seasonal permit.

(b) One hundred fifty dollars (\$150) for filing each application to sell, mortgage, lease, assign, transfer, or otherwise encumber any permit, except that for the transfer of each permit subsequent to the death of a permittee, and after court approval of the distribution of the estate or when it is not necessary to probate the will or distribute the estate through court, the fee is twenty-five dollars (\$25).

(c) Twenty-five dollars (\$25) for filing each application for issuance or renewal of a permit to operate as an agricultural carrier or livestock carrier on a seasonal basis, as authorized by Section 3584.2.

SEC. 158. Section 5162 of the Public Utilities Code is amended to read:

5162. The protection required under this article shall be evidenced by the deposit of any of the following with the commission covering each vehicle used or to be used under the permit applied for:

(a) A policy of insurance, issued by a company licensed to write such insurance in this state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if the policies meet the rules promulgated therefor by the commission.

(b) A bond of a surety company licensed to write surety bonds in the state.

(c) Such evidence of the qualification of the household goods carrier as a self-insurer as may be authorized by the commission.

SEC. 159. Section 5164 of the Public Utilities Code is amended to read:

5164. The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance or surety bond shall not be cancelable on less than 30 days' written notice to the commission.

SEC. 160. Section 5353 of the Public Utilities Code is amended to read:

5353. This chapter does not apply to any of the following:

(a) Transportation service rendered wholly within the corporate

limits of a single city or city and county.

(b) Transportation of school pupils conducted by or under contract with the governing board of any school district entered into pursuant to the Education Code.

(c) Common carrier transportation services between fixed termini or over a regular route which are subject to authorization pursuant to Article 2 (commencing with Section 1031) of Chapter 5 of Part 1 of Division 1.

(d) Transportation services occasionally afforded for farm employees moving to and from farms on which employed when the transportation is performed by the employer in vehicles owned or leased by him, or by a nonprofit agricultural cooperative association organized and acting within the scope of its powers under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code, and without any requirement for the payment of compensation therefor by the employees.

(e) Transportation service rendered by a publicly owned transit system.

(f) Passenger vehicles carrying passengers on a noncommercial enterprise basis.

(g) Taxicab transportation service licensed and regulated by a city or county, by ordinance or resolution, rendered in vehicles designed for carrying not more than eight persons excluding the driver.

(h) Transportation of persons between home and work locations or of persons having a common work-related trip purpose in a vehicle having a seating capacity of 15 passengers or less, including the driver, which are used for the purpose of ridesharing, as defined in Section 522 of the Vehicle Code, when the ridesharing is incidental to another purpose of the driver. This exemption does not apply if the primary purpose for the transportation of those persons is to make a profit. "Profit," as used in this subdivision, does not include the recovery of the actual costs incurred in owning and operating a vanpool vehicle, as defined in Section 668 of the Vehicle Code.

(i) Medical transportation vehicles.

(j) Transportation services rendered solely within the Lake Tahoe Basin, comprising that area included within the Tahoe Regional Planning Compact as set forth in Section 66801 of the Government Code, when the operator of the services has obtained any permit required from the Tahoe Basin Transportation Authority or the City of South Lake Tahoe, or both.

SEC. 161. Section 5360 of the Public Utilities Code is amended to read:

5360. Subject to the exclusions of Section 5353, "charter-party carrier of passengers" means every person engaged in the transportation of persons by motor vehicle for compensation, whether in common or contract carriage, over any public highway in this state.

SEC. 162. Section 5392 of the Public Utilities Code is amended to

read:

5392. The protection required under Section 5391 shall be evidenced by the deposit of any of the following with the commission covering each vehicle used or to be used under the certificate or permit applied for:

(a) A policy of insurance, issued by a company licensed to write such insurance in this state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if the policies meet the rules promulgated therefor by the commission.

(b) A bond of a surety company licensed to write surety bonds in the state.

(c) Such evidence of the qualification of the charter-party carrier of passengers as a self-insurer as may be authorized by the commission.

SEC. 163. Section 366.3 of the Welfare and Institutions Code is amended to read:

366.3. (a) Every hearing in a demonstration county in which an order is made adjudging a minor a dependent child of the juvenile court, pursuant to Section 300 or Section 302, and the minor is removed from the custody of his or her parent or guardian, shall be continued to a specific future date not more than six months after the date of the order. The continued hearing shall be placed on the appearance calendar.

(b) At least 10 days prior to the hearing, the probation officer or social worker shall file a supplemental report with the court regarding the services offered to the family, the progress made, and where relevant, the prognosis for return of the child to the physical custody of his or her parent or guardian, and make his or her recommendation for disposition. Notice of hearing shall be mailed by the probation officer or social worker to the same persons as in an original proceeding and to counsel of record by certified mail addressed to the last known address of the person to be notified, or shall be personally served on them, not earlier than 30 nor later than 15 days preceding the date to which the hearing was continued. The probation officer or social worker shall provide the parent or guardian and the minor's attorney with a copy of the report, including his or her recommendation for disposition, at least seven days before the hearing.

(c) At the beginning of the hearing the court shall advise all persons present at the hearing of the date of the future hearing, of their right to be present and to be represented by counsel.

(d) At the review hearing the court shall order the return of the minor to the physical custody of his or her parents or guardians unless it finds that return of the child would create a substantial risk of detriment to the physical or emotional well-being of the minor. The probation department or county welfare department shall have the burden of establishing the detriment. The failure of the parent or guardian to participate in any court-ordered treatment programs shall constitute prima facie evidence that return would be

detrimental. In making its determination the court shall review the probation officer's or social worker's report and shall consider the efforts or progress, or both, demonstrated by the parent or guardian and the extent to which they cooperated and availed themselves of services provided.

(e) If the minor is not returned to his or her parent or guardian the court shall make specific findings regarding the reasons why the minor cannot be returned. It shall also order, where relevant, any additional services needed for the purpose of facilitating reunification. The court shall also inform the parents or guardians that if the minor cannot be returned by the next review hearing a proceeding pursuant to Section 232.1 of the Civil Code may be instituted.

(f) When a minor is returned to the custody of his or her parent or guardian, the hearing shall be continued to a specific future date not more than 12 months after the date of the order. The continued hearing shall be placed on the appearance calendar and shall be conducted in accordance with Section 366.4.

SEC. 164. Section 737 of the Welfare and Institutions Code is amended to read:

737. (a) Whenever a person has been adjudged a ward of the juvenile court and has been committed or otherwise disposed of as provided in this chapter for the care of wards of the juvenile court, the court may order that the ward be detained in the detention home, or in the case of a ward of the age of 18 years or more, in the county jail or otherwise as the court deems fit until the execution of the order of commitment or of other disposition.

(b) In any case in which a minor is detained for more than 15 days pending the execution of the order of commitment or of any other disposition, the court shall periodically review the case to determine whether the delay is reasonable. These periodic reviews shall be held at least every 15 days, commencing from the time the minor was initially detained pending the execution of the order of commitment or of any other disposition, and during the course of each review the court shall inquire regarding the action taken by the probation department to carry out its order, the reasons for the delay, and the effect of the delay upon the minor.

SEC. 165. Section 1767 of the Welfare and Institutions Code, as added by Chapter 588 of the Statutes of 1981, is amended and renumbered to read:

1767.8. In the case of any person under the control of the Youth Authority for the commission of any offense of rape in violation of subdivision (2) or subdivision (3) of Section 261 of the Penal Code, or murder, written notice of any hearing to consider the release on parole of the person shall be sent by the Youthful Offender Parole Board to the following persons at least 30 days before the hearing: the judge of the court by whom the person was committed to the authority, the attorney for the person, the district attorney of the county from which the person was committed, and the law

enforcement agency which investigated the case. The board shall also send written notice to the victim of the rape or the next of kin of the person murdered if he or she requests notice from the board and keeps it apprised of his or her current mailing address.

SEC. 166. Section 1767 of the Welfare and Institutions Code, as added by Chapter 591 of the Statutes of 1981, is amended and renumbered to read:

1767.9. At least 30 days before the Youthful Offender Parole Board meets to review or consider the parole of any person over 18 years of age who has been committed to the control of the Youth Authority for the commission of any offense described in subdivision (b) of Section 707, the board shall send written notice thereof to each of the following persons: the judge of the court which committed the person to the authority, the attorney for the person, the district attorney of the county from which the person was committed, the law enforcement agency that investigated the case, and, where he or she has filed a request for such notice with the board, the victim or next of kin of the victim of the offense for which the person was committed to the authority. The burden shall be on the requesting party to keep the board apprised of his or her current mailing address.

Each of the persons so notified shall have the right to submit a written statement to the board at least 10 days prior to the scheduled hearing for the board's consideration at the hearing. Nothing in this subdivision shall be construed to permit any person so notified to attend the hearing.

At the hearing the presiding officer shall state findings and supporting reasons for the decision of the board. The findings and reasons shall be reduced to writing, and shall be made available for inspection by members of the public no later than 30 days from the date of the hearing.

SEC. 168. Section 4626 of the Welfare and Institutions Code is amended to read:

4626. (a) In order to prevent potential conflicts of interest, no member of the governing board or member of the program policy committee of a regional center shall be any of the following:

(1) An employee of the State Department of Developmental Services or any state or local agency which provides services to a regional center client, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.

(2) An employee or a member of the state council or an area board.

(3) An employee or member of the governing board of any entity from which the regional center purchases client services.

(4) Any person who has a financial interest, as defined in Section 87103 of the Government Code, in regional center operations, except as a consumer of regional center services.

(b) Notwithstanding paragraph (1) of subdivision (a), members

serving on the governing board or program policy committee of a regional center on January 1, 1982, may continue to serve on the board or committee until the expiration of their term as defined in subdivision (f) of Section 4622. Notwithstanding any other provision of this section, members serving on the governing board or program policy committee of a regional center on January 1, 1982, may continue to serve on the board or committee until the expiration of their current term. Changes in the composition of such board or committee required by amendments to this section that are operative on January 1, 1982, shall apply only to subsequent vacancies on the board or committee.

SEC. 169. Section 5326.1 of the Welfare and Institutions Code is amended to read:

5326.1. Quarterly, each local mental health director shall furnish to the Director of Mental Health, the facility reports of the number of persons whose rights were denied and the right or rights which were denied. The content of the reports from facilities shall enable the local mental health director and Director of Mental Health to identify individual treatment records, if necessary, for further analysis and investigation. These quarterly reports, except for the identity of the person whose rights are denied, shall be available, upon request, to Members of the State Legislature, or a member of a county board of supervisors.

Notwithstanding any other provision of law, information pertaining to denial of rights contained in the person's treatment record shall be made available, on request, to the person, his or her attorney, his or her conservator or guardian, the local mental health director, or his or her designee, or the Patient's Rights Office of the State Department of Mental Health. The information may include consent forms, required documentation for convulsive treatment, documentation regarding the use of restraints and seclusion, physician's orders, nursing notes, and involuntary detention and conservatorship papers. The information, except for the identity of the person whose rights are denied, shall be made available to the Members of the State Legislature or a member of a county board of supervisors.

SEC. 170. Section 5530 of the Welfare and Institutions Code is amended to read:

5530. (a) County patients' rights advocates shall have access to all clients and other recipients of mental health services in any mental health facility, program, or service at all times as are necessary to investigate or resolve specific complaints and in accord with subdivision (b) of Section 5523. County patients' rights advocates shall have access to mental health facilities, programs, and services, and recipients of services therein during normal working hours and visiting hours for other advocacy purposes. Advocates may appeal any denial of access directly to the head of any facility, the director of a county mental health program or the State Department of Mental Health or may seek appropriate relief in the courts. If a

petition to a court sets forth prima facie evidence for relief, a hearing on the merits of the petition shall be held within two judicial days of the filing of the petition. The superior court for the county in which the facility is located shall have jurisdiction to review petitions filed pursuant to this chapter.

(b) County patients' rights advocates shall have the right to interview all persons providing the client with diagnostic or treatment services.

(c) Upon request, all mental health facilities shall, when available, provide reasonable space for county patients' rights advocates to interview clients in privacy and shall make appropriate staff persons available for interview with the advocates in connection with pending matters.

(d) Individual patients shall have a right to privacy which shall include the right to terminate any visit by persons who have access pursuant to this chapter and the right to refuse to see any patient advocate.

(e) Notice of the availability of advocacy services and information about patients' rights may be provided by county patients' rights advocates by means of distribution of educational materials and discussions in groups and with individual patients.

SEC. 171. Section 14615 of the Welfare and Institutions Code is repealed.

SEC. 172. Section 18299 of the Welfare and Institutions Code is amended to read:

18299. The centers shall maintain quarterly and final fiscal reports in a form to be prescribed by the State Department of Health Services.

SEC. 173. Section 18300 of the Welfare and Institutions Code is amended to read:

18300. (a) The State Department of Health Services, in consultation with the centers funded under this chapter, shall design a standard intake and followup document to be used by the centers on all persons appearing for services. The document shall include, but not be limited to, all of the following information:

- (1) Socioeconomic data.
- (2) Previous calls for help.
- (3) Number of return visits.
- (4) A description of the episode of domestic violence and probable causes.
- (5) Use of drugs and alcohol.
- (6) Source of referral.
- (7) Services provided by the center.
- (8) Length of stay.
- (9) History of domestic violence in family.
- (10) Need for followup services.
- (11) Followup services provided by the center.

(b) The information collected on each individual served by the center shall be confidential and shall be released only upon the



person's written authorization.

SEC. 174. Section 18301 of the Welfare and Institutions Code is amended to read:

18301. A quarterly report shall be prepared by each center for submission to the State Department of Health Services. The report shall include, but not be limited to, the total number of persons requesting services of the centers, the number of persons served in the center by each type of service provided, and a description of the social and economic characteristics of persons receiving services by type of service provided.

SEC. 175. Section 18904.1 of the Welfare and Institutions Code, as added by Chapter 69 of the Statutes of 1981, is amended and renumbered to read:

18904.2. Nothing in this chapter shall be construed as authorizing the department to administer outreach programs or to adopt rules and regulations mandating that counties conduct outreach programs, except to the extent required by federal law.

SEC. 176. Section 18909 of the Welfare and Institutions Code is amended to read:

18909. Section 10850, relating to disclosure of information regarding public assistance recipients, shall apply to information obtained under this chapter.

SEC. 177. Section 19358 of the Welfare and Institutions Code is repealed.

SEC. 178. Section 19358.5 of the Welfare and Institutions Code is repealed.

SEC. 179. Section 19360 of the Welfare and Institutions Code is repealed.

SEC. 180. Any section of any act enacted by the Legislature during the 1983 calendar year, which takes effect on or before January 1, 1984, and which amends, amends and renumbers, adds, repeals and adds, or repeals a section amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to or subsequent to this act.

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## CHAPTER 102

An act to amend Sections 91, 92, 97, and 98 of the Code of Civil Procedure, relating to civil procedure, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1983. Filed with  
Secretary of State June 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 91 of the Code of Civil Procedure is amended to read:

91. (a) Except as otherwise provided in this section, the provisions of this article apply to every municipal and justice court civil action, including cases submitted to arbitration or on the arbitration hearing list, pending in the municipal and justice courts, on or after July 1, 1983, in which the amount in controversy is \$15,000 or less. "Amount in controversy" means the amount of the demand, or the recovery sought, or the value of the property, or the amount of the lien, which is in controversy in the action, exclusive of attorney fees, interest, and costs. These provisions also apply to any action transferred to a municipal or justice court by reason of lack of jurisdiction in the court in which it was filed.

(b) The provisions of this article do not apply to any action under Chapter 5A (commencing with Section 116) or any proceeding under Chapter 4 (commencing with Section 1159) of Title 3 of Part 3.

(c) Any action may, upon noticed motion, be withdrawn from the provisions of this article, upon a showing that it is impractical to prosecute or defend the action within the limitations of these provisions.

(d) Special demurrers, motions to strike, and requests for discovery, pending or determined prior to July 1, 1983, shall be subject to the law in effect on June 30, 1983.

SEC. 2. Section 92 of the Code of Civil Procedure is amended to read:

92. (a) The pleadings allowed are complaints, answers, cross-complaints, answers to cross-complaints and general demurrers.

(b) The answer need not be verified, even if the complaint or cross-complaint is verified.

(c) Special demurrers are not allowed.

(d) Motions to strike are allowed only on the ground that the damages or relief sought are not supported by the allegations of the complaint.

(e) Except as limited by this section, all other motions are permitted.

SEC. 3. Section 97 of the Code of Civil Procedure is amended to read:

97. (a) Except as provided in this section, upon objection of a party who served a request in compliance with Section 96, no party required to serve a responding statement may call a witness or introduce evidence, except for purposes of impeachment, against the objecting party unless the witness or evidence was included in the statement served.

(b) The exceptions to subdivision (a) are:

(1) A person who, in his or her individual capacity, is a party to

the litigation and who calls himself or herself as a witness.

(2) An adverse party.

(3) Witnesses and evidence used solely for purposes of impeachment.

(4) Documents obtained by discovery authorized by this chapter.

(5) The court may, upon such terms as may be just (including, but not limited to, continuing the trial for a reasonable period of time and awarding costs and litigation expenses), permit a party to call a witness or introduce evidence which is required to be, but is not included in such party's statement so long as the court finds that such party has made a good faith effort to comply with subdivision (c) of Section 96 or that the failure to comply was the result of his or her mistake, inadvertence, surprise or excusable neglect as provided in Section 473.

(c) Nothing in this article limits the introduction of evidence in any hearing pursuant to Section 585.

SEC. 4. Section 98 of the Code of Civil Procedure is amended to read:

98. A party may, in lieu of presenting direct testimony, offer the prepared testimony of relevant witnesses in the form of affidavits or declarations under penalty of perjury. The prepared testimony may include, but need not be limited to, the opinions of expert witnesses, and testimony which authenticates documentary evidence. To the extent the contents of the prepared testimony would have been admissible were the witness to testify orally thereto, the prepared testimony shall be received as evidence in the case, provided that either of the following applies:

(a) A copy has been served on the party against whom it is offered at least 30 days prior to the trial, together with a current address of the affiant that is within 150 miles of the place of trial, and the affiant is available for service of process at that place for a reasonable period of time, during the 20 days immediately prior to trial.

(b) The statement is in the form of all or part of a deposition in the case, and the party against whom it is offered had an opportunity to participate in the deposition.

The court shall determine whether the affidavit or declaration shall be read into the record in lieu of oral testimony or admitted as a documentary exhibit.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The changes which would be made by this bill are necessary to clarify and revise the economic litigation procedures which will be implemented on July 1, 1983.

## CHAPTER 103

An act to add and repeal Section 43107.5 of the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1983. Filed with  
Secretary of State June 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 43107.5 is added to the Health and Safety Code, to read:

43107.5. The rules and regulations adopted by the state board establishing exhaust emission standards for 1984 and later model-year motorcycles with engines of 280 cubic centimeters or greater are amended as follows:

The exhaust emission standards applicable to motorcycles manufactured prior to July 1, 1984, with engines of 280 cubic centimeters or greater shall be the same as the exhaust emission standards applicable to those motorcycles of the 1982 and 1983 model-years, unless the state board provides otherwise by rules and regulations adopted after the date of enactment of this section.

It is the intent of the Legislature to provide time for an adequate study of the effects of motorcycle exhaust emissions on air quality before imposition of additional exhaust emission requirements on motorcycles.

This section shall remain in effect only until July 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for this act to apply to 1984 model-year motorcycles sold between September 1, 1983, and December 31, 1983, it is necessary that this act take effect immediately.

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CHAPTER 104

An act to amend Section 1513 of the Code of Civil Procedure, and to amend Sections 6601, 7170, 7604.5, and 11203.5 of the Financial Code, relating to financial institutions.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 20, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1513 of the Code of Civil Procedure is amended to read:

1513. Subject to Sections 1510 and 1511, the following property held or owing by a business association escheats to this state:

(a) Except as provided in subdivision (f), any demand, savings, or matured time deposit, or account subject to a negotiable order of withdrawal, made with a banking organization, together with any interest or dividends thereon, excluding, from demand deposits and accounts subject to a negotiable order of withdrawal only, any reasonable service charges which may lawfully be withheld and which do not (where made in this state) exceed those set forth in schedules filed by the banking organization from time to time with the State Controller, when the owner, for more than seven years, has not either:

(1) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest.

(2) Corresponded in writing with the banking organization concerning the deposit.

(3) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file with the banking organization.

No banking organization may discontinue any interest or dividends on any savings deposit because of the inactivity contemplated by this section.

(b) Except as provided in subdivision (f), any demand, savings, or matured time deposit, or matured investment certificate, or account subject to a negotiable order of withdrawal, or other interest in a financial organization or any deposit made therewith, and any interest or dividends thereon, excluding, from demand deposits and accounts subject to a negotiable order of withdrawal only, any reasonable service charges which may lawfully be withheld and which do not (where made in this state) exceed those set forth in schedules filed by the financial organization from time to time with the Controller, when the owner, for more than seven years, has not either:

(1) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends.

(2) Corresponded in writing with the financial organization concerning the funds or deposit.

(3) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum or other record on file with the financial organization.

No financial organization may discontinue any interest or dividends on any funds paid toward purchase of shares or other interest, or on any deposit, because of the inactivity contemplated by

this section.

(c) Any sum payable on a travelers check issued by a business association that has been outstanding for more than 15 years from the date of its issuance, when the owner, for more than 15 years, has not corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with such association.

(d) Any sum payable on any other written instrument on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, any draft, certified check, or money order, that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, when the owner, for more than seven years, has not corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization.

(e) Any sum payable on a money order issued by a business association (other than a banking or financial organization) that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, when the owner, for more than seven years, has not corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the business association.

(f) Any funds held by a business association in an individual retirement account or under a retirement plan for self-employed individuals or similar account or plan established pursuant to the internal revenue laws of the United States or of this state, when the owner, for more than seven years after the funds become payable or distributable, has not either:

(1) Increased or decreased the principal.

(2) Accepted payment of principal or income.

(3) Corresponded in writing concerning the property or otherwise indicated an interest.

Such funds are not payable or distributable within the meaning of this subdivision unless, under the terms of the account or plan, distribution of all or a part of the funds would then be mandatory.

(g) For purposes of this section "service charges" means service charges imposed because of the inactivity contemplated by this section.

SEC. 2. Section 6601 of the Financial Code is amended to read:

6601. An association shall maintain information about: (1) the amount or, if no amount can be stated, the method of determining the amount of each charge which the association may impose on an account; (2) the rate of interest, the annual yield, and method that will be used in computing and paying interest on the account, if any, including any provision for nonpayment of interest on deposits made after the beginning of the interest payment period or withdrawn

before the end of such period; and (3) the effective date thereof. The information shall be available to the public at each office in California at which such accounts are maintained in one or both of the following ways: (1) in written materials displayed and available to the public in an area of the association open to the public; or (2) in any form of communication; provided that written materials displayed in an area of the association open to the public tell how to get the information.

SEC. 3. Section 7170 of the Financial Code is amended to read:

7170. An association shall not make any loan other than an amortized loan unless at least 90 percent of the unpaid principal of all its loans then in force are amortized loans.

SEC. 4. Section 7604.5 of the Financial Code is amended to read:

7604.5. (a) As used in this section, "pay-on-death provision" means:

(1) A provision or term of a share or investment certificate which is in the name of one person, which provides that upon the death of that person the share or investment certificate shall become the property of one or more designated payees.

(2) A provision or term of a share or investment certificate which is in the name of two or more persons which provides that upon the death of all of such persons the share or investment certificate shall become the property of one or more designated payees.

(b) Any transfer of property to the designated payee or payees pursuant to the terms of a pay-on-death provision shall be given effect under the terms of the share or certificate and shall not be deemed to be a testamentary disposition of property. The right of the designated payee or payees to receive such property shall not be denied, abridged, or affected on the grounds that the right has not been created by a writing executed in accordance with the laws of this state prescribing the requirements to effect a valid testamentary disposition of property.

(c) Except as provided in Section 7612, the association shall make payment in accordance with the pay-on-death provision, and such payment shall discharge the association from liability with respect to the moneys so paid.

SEC. 5. Section 11203.5 of the Financial Code is amended to read:

11203.5. (a) As used in this section, "pay-on-death provision" means:

(1) A provision or term of a share, share account, or savings account of a federal savings and loan association which is in the name of one person, which provides that upon the death of that person the share or account shall become the property of one or more designated payees.

(2) A provision or term of a share, share account, or savings account of a federal savings and loan association which is in the name of two or more persons, which provides that upon the death of all of such persons the share or account shall become the property of one or more designated payees.

(b) Any transfer of property to the designated payee or payees pursuant to the terms of a pay-on-death provision shall be given effect under the terms of the share or account involved and shall not be deemed to be a testamentary disposition of property. The right of the designated payee or payees to receive such property shall not be denied, abridged, or affected on the grounds that the right has not been created by a writing executed in accordance with the laws of this state prescribing the requirements to effectuate a valid testamentary disposition of property.

(c) Except as provided in Section 11211, the association shall make payment in accordance with the pay-on-death provision, and such payment shall discharge the association from liability with respect to the moneys so paid.

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## CHAPTER 105

An act to amend Section 41015 of the Education Code, and to amend Sections 53632, 53633, 53639, 53640, 53643, 53644, 53646, 53649, and 53654 of, and to add Section 53632.5 to, the Government Code, relating to deposit of public moneys.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 20, 1983.]

*The people of the State of California do enact as follows:*

**SECTION 1.** Section 41015 of the Education Code is amended to read:

41015. The governing board of any school district which has funds in a special reserve fund of the district or any surplus moneys not required for the immediate necessities of the district, is hereby authorized to invest all or any part of such funds in bonds, notes, bills, certificates, debentures or other obligations, issued by the United States of America, bank time certificates, savings and loan deposits, demand deposit accounts which pay money market yields, or obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in participation certificates evidencing beneficial interests in obligations, or in the right to receive interest and principal collections therefrom, which obligations have been subjected by one or more government agencies to a trust or trusts for which any executive department, agency, or instrumentality of the United States (or the head thereof) has been named to act as trustee.

Any bonds, notes, bills or certificates, debentures or other



obligations, so purchased may be sold and the proceeds reinvested in similar bonds, notes, bills or certificates, debentures or other obligations, of the United States of America, its agencies, or its instrumentalities, or placed in the county treasury for credit to the fund of the district from which purchased. This section shall not be construed as in any way limiting or modifying the application of any other law providing for or authorizing the investment of any funds of a school district. Notwithstanding any other provision of law, interest earned on funds representing the proceeds of bonds of the district shall be deposited and retained in the interest and sinking fund of the district to meet the principal and interest falling due on such bonds.

SEC. 1.5. Section 53632 of the Government Code is amended to read:

53632. There are three classes of deposits:

- (a) Inactive deposits.
- (b) Active deposits.
- (c) Interest-bearing active deposits.

SEC. 2. Section 53632.5 is added to the Government Code, to read:

53632.5. There are two classes of security for deposits:

- (a) Securities described in subdivision (m) of Section 53651.
- (b) Securities enumerated in Section 53651, except for those described in subdivision (m) of that section.

SEC. 3. Section 53633 of the Government Code is amended to read:

53633. The treasurer shall determine the amounts of money to be deposited as inactive, active, and interest-bearing active deposits, except as otherwise provided in Section 53679.

SEC. 4. Section 53639 of the Government Code is amended to read:

53639. Except as otherwise provided in Section 53682, the depository shall bear the expenses of transportation of money to and from the depository.

SEC. 5. Section 53640 of the Government Code is amended to read:

53640. Except as otherwise provided in Section 53682, the depository shall handle, collect, and pay all checks, drafts, and other exchange without cost to the local agency.

SEC. 6. Section 53643 of the Government Code is amended to read:

53643. The treasurer may deposit any part of the money as agreed upon between the treasurer and the depository.

SEC. 7. Section 53644 of the Government Code is amended to read:

53644. If an agreement is not made:

(a) Active deposits and interest thereon are subject to withdrawal upon the demand of the treasurer or other authorized official, subject to any penalties which may be prescribed by federal law or

regulation.

(b) Inactive deposits are subject to notice of at least thirty days before withdrawal.

SEC. 8. Section 53646 of the Government Code is amended to read:

53646. The treasurer shall render to the depository and to the auditor, controller, secretary, or corresponding officer of the local agency a statement showing the amount of accrued interest for each depository for the preceding quarter if so required by the legislative body of the local agency.

SEC. 9. Section 53649 of the Government Code is amended to read:

53649. The treasurer is responsible for the safekeeping of money in his custody and shall enter into any contract with a depository relating to any inactive deposit which in his judgment is to the public advantage. The depository, and the agent of depository to the extent the agent of depository has been notified of deposits and the amount thereof, are responsible for securing moneys deposited pursuant to such a contract in accordance with Section 53652. One copy of each such contract shall be filed with the auditor, controller, secretary or corresponding officer of the local agency. The contract shall:

- (a) Fix the duration of deposits.
- (b) Fix the interest rate, if any.
- (c) Provide conditions for withdrawal and repayment.
- (d) Provide for placement of pooled securities in a named agent of depository in accordance with Section 53656.
- (e) Grant authority for agent of depository to place securities for safekeeping in accordance with Section 53659.
- (f) Set forth in accordance with Section 53665 the conditions upon which the administrator shall order pooled securities converted into money for the benefit of the local agency, and the procedure therefor.

(g) Provide for compliance in all respects with the provisions of this article and other applicable provisions of law.

SEC. 10. Section 53654 of the Government Code is amended to read:

53654. (a) The depository may add securities to the pool or substitute securities of equal value for those in the pool at any time, but shall not interchange classes of security, as defined in Section 53632.5, without prior approval of the treasurer.

(b) Withdrawal of securities from the pool without replacement at equal value may be ordered only by a bonded officer or employee of the depository who has satisfied such requirements as may be set by the administrator. The agent of depository is responsible for the safekeeping and disbursement of securities placed in its custody by a depository. It shall release securities only upon presentation by the depository of the most reasonably current statement of the total deposits subject to this article held by the depository, such statement to be verified and countersigned by a bonded officer, other than one

who may have ordered the withdrawal of securities. A copy of this statement shall be forwarded to the administrator concurrently by the agent of depository.

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## CHAPTER 106

An act to amend Section 113.5 of, and to add Sections 5101.7, 5101.8, and 10102.2 to, the Streets and Highways Code, relating to improvements, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 20, 1983 Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 113.5 of the Streets and Highways Code is amended to read:

113.5. A city or county may enter into a cooperative agreement with the department to fund the construction or improvement of a segment of a state highway located in whole or in part within its jurisdiction when the project is included in the state transportation improvement program pursuant to Section 14529 of the Government Code. The project shall be constructed by the department, and, upon completion of construction, the highway segment shall be in the possession and control of, and operated and maintained by, the department.

SEC. 2. Section 5101.7 is added to the Streets and Highways Code, to read:

5101.7. The legislative body of a city may order the construction and installation of improvements authorized by Section 5101 in the right-of-way of a state highway or county road, or in a railroad right-of-way which is located within or adjacent to the corporate boundaries of the city, or in the right-of-way of a county road which is or will be an extension of a street, public way, or right-of-way of the city, if the legislative body determines that the public interest or convenience requires the construction and installation and that the land within an assessment district to be assessed to pay the cost and expenses of the improvements is benefited thereby. The construction and installation of the improvements in the right-of-way may be performed pursuant to a permit, license, lease, easement, or right-of-way granted to the city by the public entity or corporation having jurisdiction and control over the highway, road, or right-of-way. The legislative body of the city may establish and change the grades of the highway, road, or right-of-way, or portion thereof, where the improvement will be constructed in cooperation with the public entity or corporation having jurisdiction and control over the highway, road, or right-of-way. Before ordering the

construction and installation of the improvements, the city shall obtain the approval of the public entity or corporation having jurisdiction and control over the highway, road, or right-of-way. Notwithstanding the provisions of this section, the legislative body shall not order the construction or improvement of a segment of a state highway except as provided in Section 5101.8.

SEC. 3. Section 5101.8 is added to the Streets and Highways Code, to read:

5101.8. (a) The legislative body of a city may order the construction and improvement of a segment of a state highway located, in whole or in part, within the city's jurisdiction, if the following conditions have been met:

(1) The legislative body has made a determination that the public interest or convenience requires the state highway project, and that the land within an assessment district to be assessed to pay the cost and expenses of the state highway project will be benefited.

(2) The legislative body has entered a cooperative agreement with the Department of Transportation, as provided in subdivision (b), to fund the construction and improvement of the state highway.

(3) The highway project has been included in the state transportation improvement program pursuant to Section 14529 of the Government Code.

(b) The cooperative agreement required by subdivision (a) shall provide for:

(1) The Department of Transportation to perform the construction of the project.

(2) The city funding of the costs and expenses of the project from the assessment to be levied on the land within the assessment district to be assessed, and from the sale of any bonds which may be issued pursuant to this division or Division 10 (commencing with Section 8500).

(3) The agreement to become effective after proceedings have been taken pursuant to this division and the funds are available to carry out all its terms.

(4) The division of financial and legal responsibility between the city and the Department of Transportation for the maintenance of the state highway improvements and encroachments upon completion of the work.

SEC. 4. Section 10102.2 is added to the Streets and Highways Code, to read:

10102.2. The provisions of the Improvement Act of 1911 relating to work performed on a state highway, county road, or railroad right-of-way, as set forth in Sections 5101.7 and 5101.8, are incorporated in this division as if fully set out herein, except that references to "this division" shall be deemed to refer to Division 12 (commencing with Section 10000).

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

In order for currently scheduled construction to be undertaken prior to the end of 1983 in the manner provided by this act, it is necessary that this act take effect immediately.

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## CHAPTER 107

An act to add Section 911.3 to the Government Code, relating to claims against public entities.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 911.3 is added to the Government Code, to read:

911.3. (a) When a claim that is required by Section 911.2 to be presented not later than the 100th day after accrual of the cause of action is presented after such time without the application provided in Section 911.4, the board or other person designated by it may, at any time within 45 days after the claim is presented, give written notice to the person presenting the claim that the claim was not filed timely and that it is being returned without further action. The notice shall be in substantially the following form:

"The claim you presented to the (insert title of board or officer) on (indicate date) is being returned because it was not presented within 100 days after the event or occurrence as required by law. See Sections 901 and 911.2 of the Government Code. Because the claim was not presented within the time allowed by law, no action was taken on the claim.

Your only recourse at this time is to apply without delay to (name of public entity) for leave to present a late claim. See Sections 911.4 to 912.2, inclusive, and Section 946.6 of the Government Code. Under some circumstances, leave to present a late claim will be granted. See Section 911.6 of the Government Code.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately."

(b) Any defense as to the time limit for presenting a claim described in subdivision (a) is waived by failure to give the notice set forth in subdivision (a) within 45 days after the claim is presented, except that no notice need be given and no waiver shall result when the claim as presented fails to state either an address to which the person presenting the claim desires notices to be sent or an address of the claimant.

## CHAPTER 108

An act to add Section 30656 to the Food and Agricultural Code, relating to animals.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 21, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 30656 is added to the Food and Agricultural Code, to read:

30656. (a) Any county, city, or city and county may, by ordinance, elect to utilize the provisions of this section in lieu of Sections 30653 and 30654.

(b) The claim for damages to livestock, in addition to being governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, shall be accompanied by a statement by the local animal control officer relating to the probable cause of death of the animal and by proof submitted by the owner of the livestock to establish the value of the animal.

(c) The statement submitted by the local animal control officer shall set forth the facts upon which the officer's statement is based and shall indicate whether, to the best of the officer's knowledge, the animal was killed by a dog.

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CHAPTER 109

An act to add Section 72096.5 to the Water Code, relating to municipal water districts.

[Approved by Governor June 20, 1983 Filed with  
Secretary of State June 21, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 72096.5 is added to the Water Code, to read:

72096.5. Notwithstanding any other provisions of law, a mobilehome which occupies a rental space and is not permanently attached to the land is not property subject to ad valorem property taxes for debt service of the district or of any improvement district therein.

## CHAPTER 110

An act to add Section 1706 to the Business and Professions Code, relating to dentistry.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1706 is added to the Business and Professions Code, to read:

1706. Every complete upper or lower denture fabricated by a licensed dentist, or fabricated pursuant to the dentist's work order, shall be marked with the patient's name or social security number, unless the patient objects. The initials of the patient may be shown alone, if use of the name of the patient is not practical. The markings shall be done during fabrication and shall be permanent, legible, and cosmetically acceptable. The exact location of the markings and the methods used to implant or apply them shall be determined by the dentist or dental laboratory fabricating the denture. The dentist shall inform the patient that the markings are to be used for identification only and the patient shall have the choice of which marking is to appear on the dentures.

The dentist shall retain the records of those marked dentures and shall not release the records to any person except by enforcement officers, in the event of an emergency requiring personal identification by means of dental records, or to anyone authorized by the patient.

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CHAPTER 111

An act to amend Sections 908.2 and 911 of, and to amend and repeal Section 901 of, the Penal Code, relating to grand juries.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 901 of the Penal Code, as amended by Section 2 of Chapter 950 of the Statutes of 1979, is amended to read:

901. (a) The persons whose names are so returned shall be known as regular jurors, and shall serve for one year and until other persons are selected and returned.

(b) If the superior court so decides, the presiding judge may name up to four regular jurors not previously so named, who served on the previous grand jury and who so consent, to serve for a second year.

(c) The court may also decide to select grand jurors pursuant to Section 908.2.

SEC. 2. Section 901, as added to the Penal Code by Section 3 of Chapter 950 of the Statutes of 1979, is repealed.

SEC. 3. Section 908.2 of the Penal Code is amended to read:

908.2. (a) Upon the decision of the superior court pursuant to Section 901 to adopt this method of selecting grand jurors, when the required number of persons have been impaneled as the grand jury pursuant to law, the clerk shall write the names of each such person on separate ballots. The clerk shall fold the ballots so that the names cannot be seen, place them in a box, and draw out half of such ballots, or in a county where the number of grand jurors is uneven, one more than half. The persons whose names are on the ballots so drawn shall serve for 12 months until July 1 of the following year. The persons whose names are not on the ballots so drawn shall serve for six months until January 1 of the following year.

(b) Each subsequent year, on January 2 and July 2, a sufficient number of grand jurors shall be impaneled to replace those whose service concluded the previous day. Those persons impaneled on January 2, shall serve until January 1 of the following year. Those persons impaneled on July 2, shall serve until July 1 of the following year. No person shall serve on the grand jury for more than one year.

(c) The provisions of subdivisions (a) and (b) shall not be applicable to the selection of grand jurors for an additional grand jury authorized pursuant to Sections 904.5, 904.6, 904.7, 904.8, and 904.9.

SEC. 4. Section 911 of the Penal Code is amended to read:

911. The following oath shall be taken by each member of the grand jury: "I do solemnly swear (affirm) that I will support the Constitution of the United States and of the State of California, and all laws made pursuant to and in conformity therewith, will diligently inquire into, and true presentment make, of all public offenses against the people of this state, committed or triable within this county, of which the grand jury shall have or can obtain legal evidence. Further, I will not disclose any evidence brought before the grand jury, nor anything which I or any other grand juror may say, nor the manner in which I or any other grand juror may have voted on any matter before the grand jury. I will keep the charge that will be given to me by the court."

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## CHAPTER 112

An act to amend Section 2924c of the Civil Code, relating to real property.

[Approved by Governor June 20, 1983. Filed with  
Secretary of State June 21, 1983.]



*The people of the State of California do enact as follows:*

SECTION 1. Section 2924c of the Civil Code is amended to read:

2924c. (a) (1) Whenever all or a portion of the principal sum of any obligation secured by deed of trust or mortgage on real property hereafter executed has, prior to the maturity date fixed in such obligation, become due or been declared due by reason of default in payment of interest or of any installment of principal, or by reason of failure of trustor or mortgagor to pay, in accordance with the terms of such obligation or of such deed of trust or mortgage, taxes, assessments, premiums for insurance or advances made by beneficiary or mortgagee in accordance with the terms of such obligation or of such deed of trust or mortgage, the trustor or mortgagor or his successor in interest in the mortgaged or trust property or any part thereof, or any beneficiary under a subordinate deed of trust or any other person having a subordinate lien or encumbrance of record thereon, at any time within three months of the recording of the notice of default under such deed of trust or mortgage, if the power of sale therein is to be exercised, or, otherwise at any time prior to entry of the decree of foreclosure, may pay to the beneficiary or the mortgagee or their successors in interest, respectively, the entire amount then due under the terms of such deed of trust or mortgage and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of such obligation, deed of trust or mortgage, and trustee's or attorney's fees not exceeding one hundred fifty dollars (\$150) in case of a mortgage or a deed of trust or one-half of 1 percent of the entire unpaid principal sum secured, whichever is greater) other than such portion of principal as would not then be due had no default occurred, and thereby cure the default theretofore existing, and thereupon, all proceedings theretofore had or instituted shall be dismissed or discontinued and the obligation and deed of trust or mortgage shall be reinstated and shall be and remain in force and effect, the same as if no such acceleration had occurred. The provisions of this section shall not apply to bonds or other evidences of indebtedness authorized or permitted to be issued by the Commissioner of Corporations or made by a public utility subject to the provisions of the Public Utilities Code.

(2) If the trustor, mortgagor, or other person authorized to cure the default pursuant to this subdivision does cure the default, that person may request the beneficiary or the mortgagee or their successors in interest to cause to be executed and recorded a notice of rescission which rescinds the declaration of default and demand for sale and upon receipt of a written request the beneficiary or mortgagee or their successors in interest shall cause to be executed and recorded a notice of rescission. The request to execute and record a notice of rescission shall be directed to the person whose name and address is set forth in the notice required by subdivision (b). The beneficiary, or the mortgagee or their successors in interest,

shall cause the notice of rescission to be recorded within 30 days of the receipt of the written request.

(b) (1) The notice, of any default described in this section, recorded pursuant to Section 2924, and mailed to any person pursuant to Section 2924b, shall begin with the following statement, printed or typed thereon:

**“IMPORTANT NOTICE [14-point boldface type if printed or in capital letters if typed]**

**IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, [14-point boldface type if printed or in capital letters if typed]** and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within three months from the date this notice of default was recorded.

This amount is \_\_\_\_\_ as of \_\_\_\_\_ ,

(Date)

and will increase until your account becomes current. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay the amount stated above.

After three months from the date of recordation of this document (which date of recordation appears hereon), unless the obligation being foreclosed upon permits a longer period, you have only the legal right to stop the foreclosure by paying the entire amount demanded by your creditor.

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

\_\_\_\_\_  
(Name of beneficiary or mortgagee)

\_\_\_\_\_  
(Mailing address)

\_\_\_\_\_  
(Telephone)

If you have any questions, you should contact a lawyer or the government agency which may have insured your loan.

**Remember, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. [14-point boldface type if printed or in capital letters if typed]**”

Unless otherwise specified, the notice, if printed, shall appear in at least 12-point boldface type.

If the obligation secured by the deed of trust or mortgage is a

contract or agreement described in paragraph (1) or paragraph (4) of subdivision (a) of Section 1632, the notice required herein shall be in Spanish if the trustor requested a Spanish language translation of the contract or agreement pursuant to Section 1632. If the obligation secured by the deed of trust or mortgage is contained in a home improvement contract, as defined in Sections 7151.2 and 7159 of the Business and Professions Code, which is subject to the provisions of Title 2 (commencing with Section 1801), the seller shall specify on the contract whether or not the contract was principally negotiated in Spanish and if the contract was principally negotiated in Spanish, the notice required herein shall be in Spanish. No assignee of such contract or person authorized to record the notice of default shall incur any obligation or liability for failing to mail a notice in Spanish unless Spanish is specified in the contract or such assignee or person has actual knowledge that the secured obligation was principally negotiated in Spanish. Unless specified in writing to the contrary, a copy of the notice required by subdivision (3) of Section 2924b shall be in English.

(2) Any failure to comply with the provisions of this subdivision shall not affect the validity of a sale in favor of a bona fide purchaser or the rights of an encumbrancer for value and without notice.

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## CHAPTER 113

An act relating to school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 21, 1983 Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. The governing board of the Grant Joint Union High School District may direct that moneys held in any fund or account be temporarily transferred from one or more accounts or funds to another fund of the district to be used for the payment of obligations of the district. Such a transfer may be made not more than twice within the fiscal year from the same fund or account, and may be made only when the district will receive income sufficient to repay the amount transferred. The amount transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year.

Notwithstanding Section 42603 of the Education Code, in the 1982-83 and 1983-84 fiscal years, the Grant Joint Union High School District shall be permitted to temporarily transfer 100 percent of the maximum of moneys held in any fund or account pursuant to provisions of this section. For that district only, moneys are defined as all cash and accounts receivable due the district, including secured

notes. Funds include funds created under Section 39618 of the Education Code.

The Grant Joint Union High School District shall reduce its actual deficit for the 1981-82 and 1982-83 fiscal years in four equal installments, to be paid in the 1983-84, 1984-85, 1985-86, and 1986-87 fiscal years and included in the district's budget for those fiscal years. The district may apply any moneys received from the sale of school sites to the reduction of the deficit, and reduce accordingly the amounts to be repaid in any of the 1983-84, 1984-85, 1985-86, and 1986-87 fiscal years. Under either repayment procedure, the entire amount of the deficit shall be repaid by June 30, 1987. The district shall certify to the Superintendent of Public Instruction in each of the 1983-84, 1984-85, 1985-86, and 1986-87 fiscal years that the annual repayment required by this section has been made.

SEC. 2. Due to the unique circumstances surrounding the Grant Joint Union High School District, the Legislature hereby finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow school districts to meet their 1982-83 fiscal year obligations, it is necessary that this act take effect immediately.

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## CHAPTER 114

An act to amend Section 760 of the Probate Code, relating to probate sales.

[Approved by Governor June 21, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 760 of the Probate Code is amended to read:

760. The executor or administrator may enter into a written contract with any bona fide agent or broker, or multiple group of agents or brokers, to secure a purchaser for any real or personal property of the estate, which contract may provide for the payment of a commission out of the proceeds of the sale. The court shall, without limitation on its discretion under this section or Section 761 or 785, give consideration to any agreement between the agent or the broker with a written contract to secure a purchaser and any cooperating agent or broker whose bid was returned to the court for confirmation, with respect to the sharing of compensation or commission in the transaction, subject to the provisions of Sections 761 and 785 relating to compensation or commission to the agent or

broker who procured the purchaser to whom the sale is confirmed.

Such contract may additionally grant an exclusive right to sell property for a period not in excess of 90 days if prior to the execution of the contract granting an exclusive right to sell, the executor or administrator obtains the permission of the court to enter into such an agreement upon a showing of necessity and advantage to the estate, and such permission may be granted when the executor or administrator is appointed or qualified, or at any subsequent time upon an ex parte application.

When said sale is confirmed to such purchaser, such contract shall be binding and valid as against the estate for an amount to be allowed by the court. By the execution of any such contract no personal liability shall attach to the executor or administrator, and no liability of any kind shall be incurred by the estate unless an actual sale is made and confirmed by the court.

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## CHAPTER 115

An act to amend Section 1194.5 of, and to add Section 1192.5 to, the Insurance Code, relating to insurance.

[Approved by Governor June 21, 1983. Filed with  
Secretary of State June 21, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1192.5 is added to the Insurance Code, to read:

1192.5. Excess funds investments may be made in all deposits and debt obligations of banks or savings and loan associations including certificates of deposit, bankers' acceptances, and commercial paper.

SEC. 2. Section 1194.5 of the Insurance Code is amended to read:

1194.5. Excess funds investments may be made in any debt obligation issued by the United States, a federal agency or entity authorized to issue debt obligations by federal statute; the Commonwealth of Puerto Rico, its agencies and political subdivisions; any state, its agencies or political subdivisions, or by any city, county, or city and county, or by any department or board of such city, county, or city and county, whether issued in bearer, registered or book entry form.

## CHAPTER 116

An act to amend Section 409 of the Revenue and Taxation Code, relating to county tax records.

[Approved by Governor June 21, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 409 of the Revenue and Taxation Code is amended to read:

409. (a) Notwithstanding Section 6257 of the Government Code or any other statutory provision, if the assessor, pursuant to the request of any party, provides information or records that the assessor is not required by law to prepare or keep, the county may require that a fee reasonably related to the actual cost of developing and providing that information be paid by the party receiving the information.

The actual cost of providing the information is not limited to duplication or reproduction costs, but may include recovery of developmental and indirect costs, such as overhead, personnel, supply, material, office, storage, and computer costs.

It is the intent of this section that the county may impose this fee for information and records maintained for county use, as well as for information and records not maintained for county use.

Nothing herein shall be construed to require an assessor to provide information to any party beyond that which he or she is otherwise statutorily required to provide.

(b) For purposes of this section, "market data," as defined in Section 408.1, shall be deemed to be information the assessor is required by law to prepare or keep when requested by the assessee or a designated representative of the assessee.

(c) This section shall not apply to requests of the State Board of Equalization for information.

(d) This section shall remain in effect only until January 1, 1985, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends that date.

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CHAPTER 117

An act to add Section 4766.6 to the Health and Safety Code, relating to county sanitation districts.

[Approved by Governor June 21, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4766.6 is added to the Health and Safety Code, to read:

4766.6. If the board of directors of the district is the board of supervisors, the district may adopt the model county sanitation district ordinance and any amendments thereto by reference without following the procedures contained in Section 4766.3.

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## CHAPTER 118

An act to amend Sections 591.6 and 2574 of the Probate Code, relating to estates.

[Approved by Governor June 21, 1983. Filed with  
Secretary of State June 21, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 591.6 of the Probate Code is amended to read:

591.6. Unless restricted by the will, an executor or administrator who has been granted authority to administer the estate without court supervision shall have all of the following powers, in addition to any other powers granted by this code, which powers can be exercised in the manner provided in this article:

(a) To manage, control, convey, divide, exchange, partition, and to sell for cash or on credit; to lease for any purpose, including exploration for and removal of gas, oil, or other minerals; to enter into community oil leases; and to grant options to purchase real property for a period within or beyond the administration of the estate.

(b) To invest and reinvest money of the estate in deposits in banks and insured savings and loan association accounts and in eligible securities for the investment of surplus state moneys as provided for in Section 16430 of the Government Code; to invest and reinvest any surplus moneys in his or her hands in any manner provided by the will.

(c) To borrow, to place, replace, renew or extend any encumbrance upon any property in the estate.

(d) To abandon worthless assets or any interest therein.

(e) To make ordinary or extraordinary repairs or alterations in buildings or other property.

(f) To vote a security, in person or by general or limited proxy.

(g) To sell or exercise stock subscription or conversion rights.

(h) To hold a security in the name of a nominee or in other form without disclosure of the estate, so that title to the security may pass by delivery, but the executor or administrator is liable for any act of

the nominee in connection with the security so held.

(i) To insure the assets of the estate against damage or loss, and the executor or administrator against liability with respect to third persons.

(j) To allow, pay, reject, contest and compromise any claim by or against the estate by compromise; to release, in whole or in part, any claim belonging to the estate to the extent that the claim is uncollectible; to institute, compromise and defend actions and proceedings.

(k) To pay taxes, assessments, and other expenses incurred in the collection, care and administration of the estate.

(l) To continue the operation of the decedent's business to such extent as he or she shall deem to be for the best interest of the estate and those interested therein.

(m) To pay a reasonable family allowance.

SEC. 1.5. Section 591.6 of the Probate Code is amended to read:

591.6. Unless restricted by the will, an executor or administrator who has been granted authority to administer the estate without court supervision shall have all of the following powers, in addition to any other powers granted by this code, which powers can be exercised in the manner provided in this article:

(a) To manage, control, convey, divide, exchange, partition, and to sell for cash or on credit; to lease for any purpose, including exploration for and removal of gas, oil, or other minerals; to enter into community oil leases; and to grant options to purchase real property for a period within or beyond the administration of the estate.

(b) To invest and reinvest money of the estate in deposits in banks and insured savings and loan association accounts and in eligible securities for the investment of surplus state moneys as provided for in Section 16430 of the Government Code; to invest and reinvest any surplus moneys in his or her hands in any manner provided by the will.

(c) To borrow; to place, replace, renew or extend any encumbrance upon any property in the estate.

(d) To abandon worthless assets or any interest therein.

(e) To make ordinary or extraordinary repairs or alterations in buildings or other property.

(f) To vote a security, in person or by general or limited proxy.

(g) To sell or exercise stock subscription or conversion rights.

(h) To hold a security in the name of a nominee or in other form without disclosure of the estate, so that title to the security may pass by delivery, but the executor or administrator is liable for any act of the nominee in connection with the security so held.

(i) To insure the assets of the estate against damage or loss, and the executor or administrator against liability with respect to third persons.

(j) To allow, pay, reject, contest and compromise any claim by or against the estate by compromise; to release, in whole or in part, any



claim belonging to the estate to the extent that the claim is uncollectible; to institute, compromise and defend actions and proceedings.

(k) To pay taxes, assessments, and other expenses incurred in the collection, care and administration of the estate.

(l) To continue the operation of the decedent's business to such extent as he or she shall deem to be for the best interest of the estate and those interested therein.

(m) To pay a reasonable family allowance.

(n) To make a disclaimer.

SEC. 2. Section 2574 of the Probate Code is amended to read:

2574. (a) Subject to subdivision (b), the guardian or conservator, without authorization of the court, may invest funds of the estate pursuant to this section in:

(1) Direct obligations of the United States, or of this state, having a maturity at the time of acquisition of not more than five years and mutual funds which are comprised of (A) those obligations, or (B) repurchase agreements with respect to any obligation, regardless of maturity, in which the fund is authorized to invest.

(2) United States Treasury bonds redeemable at par value on the death of the holder for payment of federal estate taxes, regardless of maturity date.

(3) Stocks, bonds, and other securities listed on an established stock or bond exchange in the United States which are purchased on such exchange.

(4) Eligible securities for the investment of surplus state moneys as provided for in Section 16430 of the Government Code.

(b) In making and retaining investments made under this section, the guardian or conservator shall conform to Section 2261 of the Civil Code and shall take into consideration the circumstances of the estate, indicated cash needs, and, if reasonably ascertainable, the date of the prospective termination of the guardianship or conservatorship.

(c) Nothing in this section limits the authority of the guardian or conservator to seek court authorization for any investment, or to make other investments with court authorization, as provided in this division.

SEC. 3. Section 1.5 of this act shall become operative only if Assembly Bill 24 is chaptered and becomes effective January 1, 1984, in which case Section 1 of this act shall not become operative.

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## CHAPTER 119

An act to amend Section 272 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 21, 1983. Filed with  
Secretary of State June 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 272 of the Revenue and Taxation Code is amended to read:

272. Notwithstanding any other provision of law, whenever a valid application for exemption is filed pursuant to Section 270 or 271 and the assessor receives the board finding pursuant to Section 254.5 prior to the completion of the roll for the year for which the exemption is claimed, the assessor shall enroll the property so as to provide for the amount of exemption on the property's assessed value as provided by the applicable section.

When the application for exemption or the finding of the board for that application is received after completion of the roll, the assessor shall initiate an action to correct the roll by addition of the appropriate amount of exemption on the property. Upon notification by the assessor, the auditor shall make the appropriate adjustment on the roll.

Where authorized under the provisions of this article, the tax, penalty or interest thereon subject to cancellation or refund shall be canceled pursuant to Article 1 (commencing with Section 4985) of Chapter 4 of Part 9, as if it had been levied or charged erroneously, and, if paid, a refund thereof shall be made pursuant to Article 1 (commencing with Section 5096) of Chapter 5 of Part 9 as if it had been erroneously collected. The amount of tax, penalty or interest which is not canceled or refunded under this article with respect to property tax exemptions covered by this article and filed late may be paid in installments as provided in Chapter 3 (commencing with Section 4186) of Part 7.

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## CHAPTER 120

An act to amend Sections 207 and 270 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1983. Filed with  
Secretary of State June 22, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 207 of the Revenue and Taxation Code is amended to read:

207. Property used exclusively for religious purposes shall be exempt from taxation. Property owned and operated by a church and used for religious worship, preschool purposes, nursery school purposes, kindergarten purposes, school purposes of less than

collegiate grade, or for purposes of both schools of collegiate grade and schools less than collegiate grade but excluding property used solely for purposes of schools of collegiate grade, shall be deemed to be used exclusively for religious purposes under this section.

The exemption provided by this section is granted pursuant to the authority in subdivision (b) of Section 4 of Article XIII of the California Constitution, and shall be known as the "religious exemption."

This section shall be effective for the 1977-78 fiscal year and fiscal years thereafter.

SEC. 2. Section 270 of the Revenue and Taxation Code is amended to read:

270. (a) With respect to property as to which the college, cemetery, church, religious, exhibition, veterans' organization, free public libraries, free museums, public schools, community colleges, state colleges, state universities or welfare exemption was available but for which a timely application for exemption was not filed-

(1) Ninety percent of any tax or penalty or interest thereon shall be canceled or refunded provided an appropriate application for exemption is filed on or before the first day of March of the calendar year next succeeding the calendar year in which the exemption was not claimed by a timely application; or, if the application is filed thereafter,

(2) Eighty-five percent of any tax or penalty or interest thereon shall be canceled or refunded provided an appropriate application for exemption is filed and relief is not authorized under Section 214.01 or 271.

(b) Notwithstanding the provisions of subdivision (a), any tax or penalty or interest thereon exceeding two hundred fifty dollars (\$250) in total amount shall be canceled or refunded provided it is imposed upon property entitled to relief under subdivision (a) for which an appropriate claim for exemption has been filed.

(c) With respect to property as to which the welfare exemption or veterans' organization exemption was available, all provisions of Section 254.5, other than the specified dates for the filing of affidavits and other acts, are applicable to this section.

(d) Notwithstanding the provisions of subdivision (a), with respect to property as to which the church or religious exemption was available, any tax or penalty or interest thereon shall be canceled or refunded if it is imposed upon property entitled to relief under that subdivision for which an appropriate claim for exemption has been filed on or before March 1, 1984, and a twenty-five dollar (\$25) filing fee for each year as been paid. This subdivision shall be effective for the fiscal years 1977-78 to 1982-83, inclusive.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because self-financing authority is provided in this act.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Chapter 542 of the Statutes of 1981 established for the 1982-83 fiscal year and fiscal years thereafter, a "religious exemption" from property taxation for property used exclusively for religious purposes and specified the procedure for claiming the exemption. However, with respect to prior fiscal years, certain church properties were subjected to property taxation due to the failure of certain religious organizations to file a claim for property taxation based upon their religious convictions. Due to the belief of those religious organizations that the property subjected to taxation was entitled to exemption, the taxes assessed were not paid and, consequently, some of that property will be subjected in the near future to sale for the collection of those unpaid taxes. The enactment of this act would, through the cancellation of back taxes, provide tax relief to those religious organizations which is consistent with the spirit of Chapter 542. However, in order to provide the above relief prior to the time that certain of that property eligible for exemption is subjected to sale, it is necessary that this act go into immediate effect.

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## CHAPTER 121

An act to add and repeal Section 23432.5 of the Business and Professions Code, and to amend Section 172 of the Penal Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1983. Filed with  
Secretary of State June 23, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 23432.5 is added to the Business and Professions Code, to read:

23432.5. Notwithstanding the provisions of Section 23432, upon the finding by the department that exceptional circumstances exist, the department in its discretion, may accept an application for a club license by a qualified organization which had held an on-sale general license at the same premises within a year immediately preceding the date of filing the application. This section shall be operative for 60 days after it becomes effective and is thereafter repealed.

SEC. 2. Section 172 of the Penal Code is amended to read:

172. (a) Every person who, within one-half mile of the land belonging to this state upon which any state prison, or within 1,900 feet of the land belonging to this state upon which any Youth Authority institution is situated, or within one mile of the ground

belonging to the University of California, at Berkeley, or within one mile of the grounds belonging to the University of California at Santa Barbara, as such grounds existed as of January 1, 1961, or within one mile of the grounds belonging to Fresno State College, as such grounds existed as of January 1, 1959, or within three miles of the University Farm at Davis, or within 1½ miles of any building actually occupied as a home, retreat, or asylum for ex-soldiers, sailors, and marines of the Army and Navy of the United States, establish or to be established by this state, or by the United States within the state, or within the State Capitol, or within the limits of the grounds adjacent and belonging thereto, sells or exposes for sale, any intoxicating liquor, is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than one hundred dollars (\$100), or by imprisonment for not less than 50 days or by both such fine and imprisonment, in the discretion of the court.

(b) The provision of subdivision (a) of this section prohibiting the sale or exposure for sale of any intoxicating liquor within 1,900 feet of the land belonging to this state upon which any Youth Authority institution is situated shall not apply with respect to the Fred C. Nelles School for Boys.

(c) Except within the State Capitol or the limits of the grounds adjacent and belonging thereto, as mentioned in subdivision (a) of this section, the provisions of this section shall not apply to the sale or exposing or offering for sale of ale, porter, wine, similar fermented malt or vinous liquor or fruit juice containing one-half of 1 percent or more of alcohol by volume and not more than 3.2 percent of alcohol by weight nor the sale or exposing or offering for sale of beer.

(d) Distances provided in this section shall be measured not by airline but by following the shortest highway or highways as defined in Section 360 of the Vehicle Code connecting the points in question. In measuring distances from the Folsom State Prison and the eastern facilities of the California Institution for Men at Chino and Youth Training School, the measurement shall start at the entrance gate.

(e) The provision of subdivision (a) of this section prohibiting the sale or exposure for sale of any intoxicating liquor within 1½ miles of any building actually occupied as a home, retreat, or asylum for ex-soldiers, sailors, and marines of the Army and Navy of the United States shall not apply to the Veterans' Home at Yountville, Napa County, California.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to correct certain inequities with respect to the measurement of distances for the purpose of permitting the sale of alcoholic beverages, at the earliest possible time, it is necessary that this act take effect immediately.

## CHAPTER 122

An act to add Section 10219.5 to the Elections Code, relating to ballots.

[Approved by Governor June 22, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 10219.5 is added to the Elections Code, to read:

10219.5. Commencing with the November 2, 1982, general election, all state measures in all elections at which state measures are submitted to a vote of the voters shall be numbered in a continuous sequence, commencing with the number "1" and continuing in numerical sequence for a period of 20 years from the year of commencement.

At the completion of a 20-year cycle, the numbering sequence shall recommence with the number "1" at the next election at which state measures are submitted to a vote of the voters.

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CHAPTER 123

An act to amend Sections 1141.12, 1141.16 and 1141.17 of the Code of Civil Procedure, relating to arbitration.

[Approved by Governor June 22, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1141.12 of the Code of Civil Procedure is amended to read:

1141.12. (a) In each superior court in which arbitration may be had pursuant to subdivision (a) or (b) of Section 1141.11, upon stipulation of the parties, any at-issue civil actions shall be submitted to arbitration regardless of the amount in controversy.

(b) In all other superior, municipal, and justice courts, the Judicial Council shall provide by rule for a uniform system of arbitration of the following causes:

(i) Any cause upon stipulation of the parties, and  
(ii) Upon filing of an election by the plaintiff, any cause in which the plaintiff agrees that the arbitration award shall not exceed the amount in controversy as specified in Section 1141.11.

(c) Any election by a plaintiff shall be filed no sooner than the filing of the at-issue memorandum, and no later than 90 days before trial, or at a later time if permitted by the court.

SEC. 2. Section 1141.16 of the Code of Civil Procedure is amended to read:

1141.16. (a) The determination of the amount in controversy, under subdivision (a) or (b) of Section 1141.11 and Section 1141.12, shall be made by the court and the case submitted to arbitration at any conference at which all parties are present or represented by counsel. Such conference shall be held no later than three months after the at-issue memorandum is filed or no later than 90 days before trial, whichever occurs first. At that time the court shall make a determination whether any prayer for equitable relief is frivolous or insubstantial, which decision shall not be appealable. The date of such conference may be postponed upon motion of any party for good cause shown. No determination pursuant to this section shall be made if all parties stipulate in writing that the amount in controversy exceeds the amount specified in Section 1141.11.

(b) The determination and any stipulation of the amount in controversy shall be without prejudice to any finding on the value of the case by an arbitrator or in a subsequent trial de novo. The determination shall be based on the total amount of damages, and the judge shall not consider questions of liability or comparative negligence or other defenses.

(c) The case shall be submitted to arbitration at an earlier time upon the written request of all plaintiffs, subject to a motion by a defendant for good cause shown to delay the arbitration hearing.

(d) In cases submitted to arbitration pursuant to Section 1141.11 or subdivision (a) of Section 1141.12 or paragraph (i) of subdivision (b) of Section 1141.12, an arbitrator shall be assigned to hear a case within 30 days from the time of its submission to arbitration.

SEC. 3. Section 1141.17 of the Code of Civil Procedure is amended to read:

1141.17. (a) Submission of an action to arbitration pursuant to this chapter shall not suspend the running of the time periods specified in Section 583, except as provided in this section.

(b) If an action is or remains submitted to arbitration pursuant to this chapter more than four years and six months after the plaintiff has filed the action, then the time beginning on the date four years and six months after the plaintiff has filed the action and ending on the date on which a request for a de novo trial is filed under Section 1141.20 shall not be included in computing the five-year period specified in subdivision (b) of Section 583.

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## CHAPTER 124

An act to amend Section 25350 of, and to add Section 25350.60 to the Government Code, relating to counties.

[Approved by Governor June 22, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25350 of the Government Code is amended to read:

25350. No purchase of real property, including any water right or other interest therein, of which the purchase price is in excess of twenty-five thousand dollars (\$25,000) shall be made unless a notice of the intention of the board of supervisors to make the purchase is published in the county pursuant to Section 6063. If no newspaper is published in the county, the notice shall be posted at least three weeks prior to the time the board meets to consummate the purchase in at least three public places in each supervisorial district. The notice shall contain a description of the property proposed to be purchased, the price, the vendor, and a statement of the time the board will meet to consummate the purchase.

Nothing contained in this section shall be deemed to preclude the settlement of an action in eminent domain or the acquisition of any real property or interest therein for the uses and purposes of county highways without compliance with this section.

SEC. 2. Section 25350.60 is added to the Government Code, to read:

25350.60. The board of supervisors of a county may, by ordinance, authorize such county officer as it deems appropriate to perform any or all acts necessary to approve and accept for the county the acquisition of any interest in real property where the purchase price for such interest does not exceed twenty-five thousand dollars (\$25,000). Any such authorization shall specify procedures for the exercise of such authority by the officer so designated.

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## CHAPTER 125

An act to amend Section 5154 of, and to add Sections 5152.1, 5152.2, 5152.3, 5152.4, and 5152.5 to, the Elections Code, relating to elections.

[Approved by Governor June 22, 1983. Filed with  
Secretary of State June 23, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5152.1 is added to the Elections Code, to read:

5152.1. Before circulating an initiative petition in any district, the proponents of that measure shall publish a notice of intention. The notice shall be accompanied by a printed statement stating the reasons for the proposed petition. The printed statement shall not exceed 500 words. The notice shall be signed by at least one, but not



more than five, proponents and shall be in substantially the following form:

**"Notice of Intention to Circulate Initiative Petition**

Notice is hereby given of the intention of the persons whose names appear hereon of their intention to circulate the petition within the \_\_\_\_\_ district for the purpose of \_\_\_\_\_. A statement of the reasons for the proposed action as contemplated in the petition is as follows:"

SEC. 2. Section 5152.2 is added to the Elections Code, to read:

5152.2. A notice of intention and statement as referred to in Section 5152.1 shall be published or posted, or both, as follows:

(a) If there is a newspaper of general circulation within the district, as described in Section 6000 of the Government Code, the notice and statement shall be published therein at least once.

(b) If the petition is to be circulated in a district in which there is no newspaper of general circulation, the notice and statement shall be published at least once, in a newspaper of general circulation within the county in which the district is located and the notice and statement shall be posted in three public places within the district.

SEC. 3. Section 5152.3 is added to the Elections Code, to read:

5152.3. Within 10 days after the date of publication or posting, or both, of the notice of intention and statement, the proponents shall file a copy of the notice and statement as published or posted, or both, together with an affidavit made by a representative of the newspaper in which the notice was published or, if the notice was posted, by a voter of the district certifying to the fact of publication or posting. The affidavit, together with a copy of the notice of intention and statement, shall be filed with the clerk of the district.

SEC. 4. Section 5152.4 is added to the Elections Code, to read:

5152.4. Twenty-one days after the publication or posting, or both, of the notice of intention and statement, the petition may be circulated among the voters of the district for signatures by any registered voter of the district. Each section of the petition shall bear a copy of the notice of intention and statement.

SEC. 5. Section 5152.5 is added to the Elections Code, to read:

5152.5. Signatures upon petitions and sections thereof shall be secured, and the petition, together with all sections thereof, shall be filed within 180 days from the date of publication or posting, or both, of the notice of intention and statement. If the petitions are not filed within the time permitted by this section, the petition and its sections shall be void for all purposes.

SEC. 6. Section 5154 of the Elections Code is amended to read:

5154. (a) If the initiative petition is signed by voters not less in number than 10 percent of the voters in the district where the total number of registered voters is less than 500,000, or not less in number than 5 percent of the voters in the district where the total number of registered voters is 500,000 or more, and the ordinance petitioned

for is not required to be, or for any reason is not submitted to the voters at a special election, and is not passed without change by the district board, the ordinance, without alteration, shall be submitted by the board to the voters at the next statewide election consolidated with the next regular election.

(b) The number of registered voters referred to in subdivision (a) shall be calculated as of the time of the last report of registration by the county clerk to the Secretary of State made prior to publication or posting of the notice of intention to circulate the initiative petition.

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## CHAPTER 126

An act to amend Section 1399.61 of the Health and Safety Code, and to amend Section 10128.1 of the Insurance Code, relating to health plans.

[Approved by Governor June 23, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1399.61 of the Health and Safety Code is amended to read:

1399.61. In this article, unless the context otherwise requires:

(a) "Carrier" shall mean the health care service plan or other entity responsible for the payment of benefits or provision of services under a group contract.

(b) "Dependent" shall have the meaning set forth in a contract.

(c) "Discontinuance" shall mean the termination of the contract between the entire employer unit under a contract and the health care service plan, and does not refer to the termination of any agreement between any individual member under a contract and the health care service plan.

(d) "Employee" shall mean all agents, employees, and members of unions or associations to whom benefits are provided under a contract.

(e) "Extension of benefits" shall mean the continuation of coverage under a particular benefit provided under a contract following discontinuance with respect to an employee or dependent who is totally disabled on the date of discontinuance.

(f) "Contract" shall mean any group health care service plan or contract subject to the provisions of this article.

(g) "Contractholder" shall mean the entity to which a contract is issued.

(h) "Dues" shall mean the consideration payable to the carrier.

(i) "Replacement coverage" shall mean the benefits provided by a succeeding carrier.

(j) "Totally disabled" shall have the meaning set forth in a contract.

SEC. 2. Section 10128.1 of the Insurance Code is amended to read:

10128.1. In this article, unless the context otherwise requires:

(a) "Carrier" means the insurance company, nonprofit hospital service corporation, or other entity responsible for the payment of benefits or provision of services under a policy.

(b) "Dependent" shall have the meaning set forth in a policy.

(c) "Discontinuance" shall mean the termination of a policy or the termination of coverage between an entire employer unit under a group disability policy, group nonprofit hospital service contract or self-insured welfare benefit plan, and does not refer to the termination of any agreement between any individual member under a contract and the disability insurer, nonprofit hospital service contract or self-insured welfare benefit plan.

(d) "Employee" means all agents, employees, and members of unions or associations to whom benefits are provided under a policy.

(e) "Extension of benefits" means the continuation of coverage under a particular benefit provided under a policy following discontinuance with respect to an employee or dependent who is totally disabled on the date of discontinuance.

(f) "Policy" means any group insurance policy, group hospital service contract or other plan, contract or policy subject to the provisions of this article.

(g) "Policyholder" means the entity to which a policy or contract specified in Section 10128 is issued.

(h) "Premium" means the consideration payable to the carrier.

(i) "Replacement coverage" means the benefits provided by a succeeding carrier.

(j) "Totally disabled" shall have the meaning set forth in a policy.

SEC. 3. It is the intent of the Legislature that neither the fact of the enactment of this act nor the text of anything contained in it shall be considered to reflect legislative intent concerning, or be used or applied to, the interpretation of the preexisting law.

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## CHAPTER 127

An act to amend Section 33113 of the Food and Agricultural Code, relating to dairy inspection.

[Approved by Governor June 23, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 33113 of the Food and Agricultural Code is amended to read:

33113. A person is not eligible to take the examination unless the person possesses one of the following qualifications:

(a) Graduation from a four-year college with specialization in studies which related to dairy farms, milk and milk products, or the food sciences.

(b) Graduation from a veterinary college of recognized standing at the time of graduation and at least one year of experience in the production, processing, or inspection of milk or milk products.

(c) Employed as a registered sanitarian in the State of California for at least two years immediately prior to applying for the certification examination and possesses a bachelor's degree.

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## CHAPTER 128

An act to amend Section 798.34 of the Civil Code, relating to mobilehomes.

[Approved by Governor June 23, 1983 Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 798.34 of the Civil Code is amended to read:

798.34. (a) A homeowner shall not be charged a fee for a guest who does not stay with him or her for more than a total of 20 consecutive days or a total of 30 days in a calendar year. Such a guest will not be required to register with the management.

(b) A homeowner who is living alone and who wishes to share his or her mobilehome with one person may do so, and a fee shall not be imposed by management for such person. Such person shall be considered a guest of the homeowner and any agreement between the homeowner and such person shall not change the terms and conditions of the rental agreement between management and the homeowner. Such guest shall comply with the provisions of the rules and regulations of the mobilehome park.

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## CHAPTER 129

An act to amend Section 17922 of the Health and Safety Code, relating to housing.

[Approved by Governor June 23, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17922 of the Health and Safety Code is amended to read:

17922. (a) Except as otherwise specifically provided by law, the building standards adopted and submitted by the department for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 and the other rules and regulations, which are contained in Title 24 of the California Administrative Code, adopted, amended, or repealed from time to time pursuant to this chapter shall impose substantially the same requirements as are contained in the most recent editions of the following uniform industry codes as adopted by the organizations specified:

(1) The Uniform Housing Code of the International Conference of Building Officials, except its definition of "substandard building."

(2) The Uniform Building Code of the International Conference of Building Officials.

(3) The Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials.

(4) The Uniform Mechanical Code of the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials.

(5) The National Electrical Code of the National Fire Protection Association. In adopting building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 for publication in the State Building Standards Code and in promulgating other regulations, the department shall consider local conditions and any amendments to the uniform codes referred to in this section. Except as provided in Part 2.5 (commencing with Section 18901), in the absence of adoption by regulation, the most recent editions of the uniform codes referred to in this section shall be considered to be adopted one year after the date of publication of such uniform codes.

(b) Except as provided in Section 17959.5, local use zone requirements, local fire zones, building setback, side and rear yard requirements, and property line requirements are hereby specifically and entirely reserved to the local jurisdictions notwithstanding any requirements found or set forth in this part.

(c) Regulations other than building standards which are adopted, amended, or repealed by the department, and building standards adopted and submitted by the department for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, governing alteration and repair of existing buildings and moving of apartment houses and dwellings shall permit the replacement, retention, and extension of original materials and the continued use of original methods of construction as long as the hotel, lodginghouse, motel, apartment house, or dwelling, or portions thereof, or building and structure accessory thereto, complies with the provisions published in the State Building Standards Code and the other rules and

regulations of the department or alternative local standards adopted pursuant to subdivision (b) of Section 17920.7 or 17958.5 and does not become or continue to be a substandard building. Building additions or alterations which increase the area, volume, or size of an existing building, and foundations for apartment houses and dwellings moved, shall comply with the requirements for new buildings or structures specified in this part, or in building standards published in the State Building Standards Code, or in the other rules and regulations adopted pursuant to this part. However, such additions and alterations shall not cause the building to exceed area or height limitations applicable to new construction.

(d) Regulations other than building standards which are adopted by the department and building standards adopted and submitted by the department for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 governing alteration and repair of existing buildings shall permit the use of alternate materials, appliances, installations, devices, arrangements, or methods of construction if the material, appliance, installation, device, arrangement, or method is, for the purpose intended, at least the equivalent of that prescribed in this part, the building standards published in the State Building Standards Code, and the rules and regulations promulgated pursuant to the provisions of this part in performance, safety, and for the protection of life and health. Regulations governing abatement of substandard buildings shall permit those conditions prescribed by Section 17920.3 which do not endanger the life, limb, health, property, safety, or welfare of the public or the occupant thereof.

(e) No local enforcement agency may prohibit the use of materials, appliances, installations, devices, arrangements, or methods of construction specifically permitted by the department to be used in the alteration or repair of existing buildings, but such materials, appliances, installations, devices, arrangements, or methods of construction may be specifically prohibited by local ordinance as provided pursuant to Section 17958.5.

(f) No local ordinance may permit any action or proceeding to abate violations of regulations governing maintenance of existing buildings, unless the building is a substandard building or the violation is a misdemeanor.

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## CHAPTER 130

An act to amend Sections 31595.4 and 53216.1 of, and to add Section 31595.41 to, the Government Code, relating to public retirement and pension trust funds.

[Approved by Governor June 23, 1983. Filed with  
Secretary of State June 23, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 31595.4 of the Government Code is amended to read:

31595.4. (a) Notwithstanding the provisions of Section 31595, in addition to such other investments as are authorized by this article, the board may in its discretion under the advice of proper counsel invest the assets of the retirement fund in an amount, determined on the basis of cost, not to exceed 10 percent of the assets in the first two years after the effective date of this section, not to exceed 15 percent during the third year after the effective date of this section, and not to exceed 25 percent thereafter, in common stock or shares, and not to exceed 2 percent of the assets in the first year after the effective date of this section, not to exceed 3 percent during the second year after the effective date of this section, and not to exceed 5 percent thereafter, in preferred stock or shares, of corporations created or existing under the laws of the United States, or any state, district, or territory thereof; provided that

(1) Such stock is registered on a national securities exchange, as provided in the "Securities Exchange Act of 1934" as amended. Such registration shall not be required with respect to the following stocks:

(A) The common stock of a bank which is a member of the Federal Deposit Insurance Corporation and has capital funds, represented by capital, surplus, and undivided profits, of at least fifty million dollars (\$50,000,000);

(B) The common stock of an insurance company which has capital funds, represented by capital, special surplus funds, and unassigned surplus, of at least fifty million dollars (\$50,000,000);

(C) Any preferred stock.

(2) Such corporation has total assets of at least one hundred million dollars (\$100,000,000);

(3) Bonds of such a corporation, if any are outstanding, qualify for investment of the retirement fund, and that there are no arrears of dividend payments on its preferred stock;

(4) Such corporation has paid a cash dividend on its common stock in at least eight of the 10 years next preceding the date of investment, and the aggregate net earnings available for dividends on the common stock of such corporation for the whole of such period have been equal to the amount of such dividends paid, and such corporation has paid an earned cash dividend in each of the last three years;

(5) Such investment in any one company may not exceed 5 percent of the common shares outstanding; and

(6) No single common stock investment, based on cost, may exceed 2 percent of the assets of the fund.

(b) The board may sell exchange-traded call options only through

an exchange, and only with respect to stock owned by the board. Common stock that is obligated under an unexpired written call option shall not be sold unless the board first enters into a closing purchase transaction.

(c) The board may purchase exchange-traded options only through an exchange and only for the purpose of a closing purchase transaction.

SEC. 2. Section 31595.41 is added to the Government Code, to read:

31595.41. All acts made or done by the board or its officers and employees, on or after January 1, 1983, and until the effective date of this section, with respect to exchange-traded call options and related matters, which would have been valid if Section 31595.4, as amended by Section 1 of the act which enacts this section, had been in effect at the time the acts were made or done are hereby ratified, confirmed, and validated.

SEC. 3. Section 53216.1 of the Government Code is amended to read:

53216.1. (a) In addition to such other investments as are authorized by this article, the legislative body may in its discretion under the advice of proper counsel invest the assets of the pension trust in an amount, determined on the basis of cost, not to exceed 10 percent of the assets in the first two years after the effective date of this section, not to exceed 15 percent during the third year after the effective date of this section, and not to exceed 25 percent thereafter, in common stock or shares, and not to exceed 2 percent of the assets in the first year after the effective date of this section, not to exceed 3 percent during the second year after the effective date of this section, and not to exceed 5 percent thereafter, in preferred stock or shares, of corporations created or existing under the laws of the United States, or any state, district, or territory thereof; provided that

(1) Such stock is registered on a national securities exchange, as provided in the "Securities Exchange Act of 1934" as amended. Such registration shall not be required with respect to the following stocks:

(A) The common stock of a bank which is a member of the Federal Deposit Insurance Corporation and has capital funds, represented by capital, surplus, and undivided profits, of at least fifty million dollars (\$50,000,000);

(B) The common stock of an insurance company which has capital funds, represented by capital, special surplus funds, and unassigned surplus, of at least fifty million dollars (\$50,000,000);

(C) Any preferred stock.

(2) Such corporation has total assets of at least one hundred million dollars (\$100,000,000);

(3) Bonds of such a corporation, if any are outstanding, qualify for investment of the Public Employees' Retirement Fund, and that there are no arrears of dividend payments on its preferred stock;

(4) Such corporation has paid a cash dividend on its common stock in at least eight of the 10 years next preceding the date of investment,



and the aggregate net earnings available for dividends on the common stock of such corporation for the whole of such period have been equal to the amount of such dividends paid, and such corporation has paid an earned cash dividend in each of the last three years;

(5) Such investment in any one company may not exceed 5 percent of the common shares outstanding; and

(6) No single common stock investment, based on cost, may exceed 2 percent of the assets of the trust.

(b) Notwithstanding any other provision of law, the legislative body may enter into security loan agreements pursuant to the provisions of Division 8 (commencing with Section 7600) of Title 1 with respect to securities in which the legislative body is authorized by law to invest.

(c) The legislative body may enter into security loan agreements with broker-dealers and with any state or national banks for the purpose of prudently supplementing the income normally received from investments.

(d) All loans of securities shall be made pursuant to one of the standardized loan agreement forms, as developed by the administrators of the State Pooled Investment Account pursuant to Section 16481 of the Government Code or the Public Employees' Retirement System or the State Teachers' Retirement System or any county pooled investment account and as approved by the Commissioner of Corporations.

(e) The legislative body may sell exchange-traded call options only through an exchange, and only with respect to stock owned by the legislative body. Common stock that is obligated under an unexpired written call option shall not be sold unless the legislative body first enters into a closing purchase transaction.

(f) The legislative body may purchase exchange-traded options only through an exchange and only for the purpose of a closing purchase transaction.

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## CHAPTER 131

An act to amend Sections 17, 7600, 8230, 8231, 8232, 8233, 8235, 8236, 8237, 8238, 8239, 8240, 8244, 8246, 8247, 8249, 8664.5, 8664.6, 15402, 15406, 15407, and 15410 of, to add Sections 8399, 8664.7, 8834.1, 15006, 15406.5, and 15406.7 to, to repeal Section 8242 of, and to repeal and add Section 15405 to, the Fish and Game Code, to amend Section 6302 of the Labor Code, to amend Section 30100.2 of the Public Resources Code, and to amend Section 17063 of the Revenue and Taxation Code, relating to marine resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1983. Filed with  
Secretary of State June 27, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17 of the Fish and Game Code is amended to read:

17. "Aquaculture" means that form of agriculture devoted to the propagation, cultivation, maintenance, and harvesting of aquatic plants and animals in marine, brackish, and fresh water. "Aquaculture" does not include species of ornamental marine or freshwater plants and animals not utilized for human consumption or bait purposes that are maintained in closed systems for personal, pet industry, or hobby purposes, however, these species continue to be regulated under Chapter 2 (commencing with Section 2116) of Division 3.

SEC. 2. Section 7600 of the Fish and Game Code is amended to read:

7600. The provisions of this part apply to the taking and possession of fish for any commercial purpose. This part does not apply to activities governed under Division 12 (commencing with Section 15000).

SEC. 3. Section 8230 of the Fish and Game Code is amended to read:

8230. (a) The Legislature finds and declares that commercial salmon fishing is affected with a public interest and that the preservation of commercial salmon fishing directly affects the health and welfare of the public. The Legislature further finds and declares that due to past declines in salmon stocks, the increase in the number of persons participating in commercial salmon fishing, the number and types of vessels being used, and the commensurate increase in the salmon fishing potential of the commercial salmon fishing fleet it is necessary and proper to limit the persons who are eligible to take salmon for commercial purposes and to regulate the amount of salmon that may be taken by restricting the number and salmon fishing potential of the vessels in the commercial salmon fishing fleet in order to preserve and rebuild the salmon resource, to protect commercial salmon fishing, and thereby protect the health and welfare of the public.

(b) The Legislature further finds and declares the following:

(1) The system for allocating commercial salmon vessel permits enacted in this article is an interim system created in response to the urgent need to protect the salmon resource in California waters while inflicting the least hardship on the people of the state.

(2) The Legislature shall, on or before January 1, 1986, enact a permanent system to regulate entry into the commercial salmon fishery which will continue to be equitable and provide for new entry.

(3) In order to devise a permanent system to regulate entry into

the commercial salmon fishery, the Legislature shall continue to collect information on the salmon fishery from the Joint Committee on Fisheries and Aquaculture. This information shall include the impact that equipment and experience have on the fishery and the burden placed on the fishery by commercial salmon fishermen.

(4) A report containing the requested information shall be prepared by the committee and transmitted to the Legislature on or before January 1, 1985.

SEC. 4. Section 8231 of the Fish and Game Code is amended to read:

8231. The following definitions apply to the provisions of this article:

(a) "Commercial salmon permit" means a nontransferable, revocable permit which was issued by the department during the calendar year 1980, 1981, or 1982 to an individual engaged in the taking and landing of salmon in California waters for commercial purposes.

(b) "Operator" means an individual who is designated in writing on the federal documentation papers of a vessel as master or alternate master, on a boat registration statement provided by the department pursuant to Sections 7887 to 7890, inclusive, as the operator of the vessel, or by written proof including landing receipts submitted to and approved by the review board that the individual did operate a vessel engaged in the taking of salmon.

(c) "Owner" means an individual who is designated in writing on a boat registration statement provided by the Department of Motor Vehicles or by the United States Coast Guard as the owner of the vessel.

(d) "Review board" means the Commercial Salmon Fishing Review Board created pursuant to Section 8244.

(e) "Vessel permit" means a commercial salmon vessel permit created pursuant to Section 8232.

SEC. 5. Section 8232 of the Fish and Game Code is amended to read:

8232. A commercial salmon vessel permit shall be issued by the department to any of the following persons who shall affix the permit to the vessel for which it is issued:

(a) Upon application, to the owner or owners of a vessel which was registered pursuant to Sections 7887 to 7890 and was used to take and land salmon commercially in California during 1980, 1981, or before August 11th of the 1982 commercial salmon season as evidenced by a salmon landing receipt issued to a commercial salmon permittee with that vessel's Department of Fish and Game registration number on it pursuant to Article 6 (commencing with Section 8010) of Chapter 1.

(b) Upon application, to a natural person who, prior to August 11, 1982, possessed a commercial salmon permit and who had under construction, under reconstruction, contracted for construction, or purchased, a vessel or an interest in a vessel with good faith

anticipation, as determined by the review board, of that vessel's entry into the California commercial salmon fishery.

(c) Upon application, to a natural person who meets all of the following criteria, as determined by the review board:

(1) He or she is the owner and operator of a vessel which was registered pursuant to Section 7887.

(2) He or she landed salmon commercially on the vessel as documented by a department landing receipt, or if the landing receipt is unavailable, by other relevant evidence.

(3) He or she was unable to operate a vessel and land salmon commercially in California for reasons of illness, disability, or for other reasons beyond that person's control, as documented by medical records, court records, military records, or by other relevant evidence, and this inability persisted for a continuous period that commenced before the beginning of the 1980 commercial salmon fishing season and did not conclude until at least August 11, 1982.

(4) He or she is now able and intends to engage in the commercial taking of salmon in California.

(d) Upon application, to a natural person seeking new entry into the commercial fishery pursuant to Section 8240.

SEC. 6. Section 8233 of the Fish and Game Code is amended to read:

8233. Application for a vessel permit shall be made on forms and contain information, reasonably related to this article, as the department may require. Vessel permit applications made pursuant to Section 8232, except as provided in Section 8240, shall be received by the department no later than July 1, 1983.

SEC. 7. Section 8235 of the Fish and Game Code is amended to read:

8235. (a) If a vessel, for which a vessel permit has been issued, is lost, destroyed, or permanently retired from the commercial salmon fishery, that vessel permit shall be reissued by the department to the vessel owner of the lost, destroyed, or retired vessel, but the permit shall only be placed on another vessel within one year after reissuance and only on a vessel having a salmon fishing potential, as determined by the review board, no greater than that of the lost, destroyed, or retired vessel. The department shall not reissue a vessel permit to a vessel owner who lost or destroyed a vessel by fraudulent means.

(b) A vessel that is declared lost, destroyed, or retired pursuant to this section shall not be relicensed under a new vessel permit.

SEC. 8. Section 8236 of the Fish and Game Code is amended to read:

8236. (a) A vessel permit shall be renewed annually by May 1. The department shall set a fee to be charged for a vessel permit which shall not exceed the reasonable costs of implementing and administering the provisions of this article except as provided in subdivision (b).

(b) An additional fee of one hundred dollars (\$100) shall be

charged for any permit for which the permit application or permit renewal application is received:

- (1) After April 1, 1983, and no later than July 1, 1983.
- (2) After April 1, and no later than May 1, in 1984 and any later year.
- (3) This additional fee is not applicable during 1983 to persons who became eligible for a permit under amendments to Section 8232 enacted by Assembly Bill No. 153 of the 1983-84 Regular Session of the Legislature.

(c) If the department does not receive a permit renewal application for any vessel for which a vessel permit has been issued, the department shall notify the owner of the vessel. The notice shall be in writing, shall be addressed to the owner at the address listed on his or her most recent permit or permit renewal application, and shall be sent by registered mail no later than April 20. The notice shall include all of the following:

- (1) Instructions on how to apply for permit renewal.
- (2) Information on the provisions of paragraph (2) of subdivision (b).
- (3) Information on the provisions of subdivision (b) of Section 8237.

SEC. 9. Section 8237 of the Fish and Game Code is amended to read:

8237. (a) The commercial salmon fishing privilege of an individual may be suspended or revoked by the commission for violation and conviction of any of the provisions pertaining to commercial salmon fishing. The commission may revoke or suspend a vessel permit issued pursuant to this article that was obtained by fraudulent means.

(b) The commission shall revoke any vessel permit for which an application for renewal is not submitted by May 1 of that year.

SEC. 10. Section 8238 of the Fish and Game Code is amended to read:

8238. No salmon shall be taken aboard or landed from any vessel for commercial purposes unless a vessel permit has been issued for the vessel pursuant to this article.

SEC. 11. Section 8239 of the Fish and Game Code is amended to read:

8239. A vessel may not be used to take salmon for commercial purposes and sport purposes in the same calendar year. However, boats licensed as commercial passenger fishing boats pursuant to Section 7920 and engaged in that business may be used to take salmon for commercial purposes, but not on the same day that sport fishing passengers are carried on the vessel.

SEC. 12. Section 8240 of the Fish and Game Code is amended to read:

8240. (a) A natural person seeking to gain new entry into the commercial salmon fishery may obtain a vessel permit by either purchasing a vessel already licensed under a vessel permit or by

applying to obtain a new vessel permit issued by the department.

(b) Eligibility criteria for new entry pursuant to subdivision (a) shall be recommended to the commission by the review board under the terms of, but not limited to, Sections 8241 and 8243, and the recommended criteria shall be published and included in the annual report to the Legislature. Factors relating to preservation of the fishery resource which include, but are not limited to, crew experience, and experience in other fisheries, may be included as criteria. The review board shall submit its recommended criteria to the commission on or before November 2, 1983.

(c) The commission shall adopt eligibility criteria on or before January 1, 1984.

SEC. 13. Section 8242 of the Fish and Game Code is repealed.

SEC. 14. Section 8244 of the Fish and Game Code is amended to read:

8244. There is hereby established in the department a Commercial Salmon Fishing Review Board, which consists of the director or his or her designee and four commercial salmon vessel owners and three alternate vessel owners selected by the director from a list submitted by an association deemed to represent the majority of commercial salmon vessel owners.

The board shall be limited to making factual determinations and recommendations as provided in this article and shall act, based upon substantial evidence, by a majority vote of the full board.

SEC. 14.5. Section 8246 of the Fish and Game Code is amended to read:

8246. The review board shall:

(a) Consider and render decisions on all appeals of vessel permit denials.

(b) Make recommendations to the department, which shall present the recommendations to the commission, in any revocation of vessel permit proceedings brought pursuant to subdivision (a) of Section 8237.

(c) Consider and render decisions on the removal, issuance, or reissuance of vessel permits pursuant to subdivisions (b) and (c) of Section 8232, and Sections 8234 and 8235.

(d) Recommend to the department, which shall present the recommendations to the commission, the number of new vessel permits to be issued annually. The recommendations shall be based on the health and status of the salmon resource, and on the economic stability of the commercial salmon industry.

(e) Issue an annual report to the Legislature by January 1 on the effectiveness of the provisions of this article. The report shall include the criteria for eligibility recommended pursuant to Section 8240 and the recommended number of new vessel permits, if any, to be issued that year.

SEC. 15. Section 8247 of the Fish and Game Code is amended to read:

8247. The term of appointment to the review board shall be for

four years. However, with respect to the members initially appointed, the director shall designate one member to serve for a term of one year, one member to serve for a term of two years, one member to serve for a term of three years, and the remaining members to serve the term of four years. Necessary and proper expenses shall be paid to review board members. Members who are commercial salmon vessel owners, and any alternate attending on behalf of a regular member, shall also receive one hundred dollars (\$100) per day. The director may adopt standards and criteria that shall be applied by the board in carrying out its activities under this article.

SEC. 16. Section 8249 of the Fish and Game Code is amended to read:

8249. This article shall remain in effect only until January 1, 1986, and as of that date is repealed unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 16.5. Section 8399 is added to the Fish and Game Code, to read:

8399. North of Point Conception, squid may be taken the year around; however, the commission may adopt regulations specifying the days of the week and the times of the day when squid may be taken.

SEC. 17. Section 8664.5 of the Fish and Game Code is amended to read:

8664.5. (a) Notwithstanding Sections 8693 and 8724, gill nets and trammel nets shall not be used in that portion of District 17 between the mouth of Aptos Creek and the United States surveyor's monument near Seaside in waters less than 10 fathoms in depth.

(b) If the director determines that any local population of any species of seabird or marine mammal is in danger of irreparable injury, or that mortality in any local population of any species of seabird or marine mammal is occurring at a rate that threatens the viability of the local population, as a direct result of the use of gill nets or trammel nets, the director may issue an order prohibiting or restricting the use, method of use, size, or materials used in the construction of either or both types of those nets in all or any part of District 17 for a specified period in waters of greater than 10 fathoms in depth. The order shall take effect 48 hours after its issuance. The director shall rescind any order issued pursuant to this subdivision whenever he or she determines that the order is no longer necessary.

SEC. 17.5. Section 8664.6 of the Fish and Game Code is amended to read:

8664.6. If, after a public hearing in a place convenient to the affected area, the director determines that any local population of any species of seabird or marine mammal is in danger of irreparable injury or that mortality in any local population of any species of seabird or marine mammal is occurring at a rate that threatens the viability of the local population, as a direct result of the use of gill nets

or trammel nets, the director may issue an order prohibiting or restricting the use, method of use, size, or materials used in the construction of either, or both, types of those nets in all or any part of District 10 or in all or any part of District 18 north of Point Conception for a specified period. The order shall take effect 48 hours after its issuance. The director shall rescind any order issued pursuant to this section whenever he or she determines, after a public hearing, that the order is no longer necessary.

SEC. 18. Section 8664.7 is added to the Fish and Game Code, to read:

8664.7. The initial period of effectiveness of an order issued pursuant to subdivision (b) of Section 8664.5 or pursuant to Section 8664.6 shall not exceed 180 days. After a further public hearing, the director may, on the basis of a report prepared by the department on the condition of the local population of any species of seabird or marine mammal, extend the order for a further specified period or reissue the order for a further specified period.

SEC. 19. Section 8834.1 is added to the Fish and Game Code, to read:

8834.1. It is unlawful for any person to possess on board or to take salmon on a vessel which also has on board any type of trawl net.

SEC. 20. Section 15006 is added to the Fish and Game Code, to read:

15006. Nothing in this division applies to authorized species of ornamental marine or freshwater plants and animals not utilized for human consumption or bait purposes that are maintained in closed systems for personal, pet industry, or hobby purposes.

SEC. 21. Section 15402 of the Fish and Game Code is amended to read:

15402. A lessee of a state water bottom owns all lawfully cultivated organisms that are described in the application for the lease and produced in the area leased. The lessee has the exclusive right to cultivate and harvest the aquatic organisms in the area leased.

SEC. 22. Section 15405 of the Fish and Game Code is repealed.

SEC. 23. Section 15405 is added to the Fish and Game Code, to read:

15405. No initial term of a state water bottom lease shall exceed 25 years.

SEC. 24. Section 15406 of the Fish and Game Code is amended to read:

15406. (a) Each state water bottom lease shall specify a period prior to expiration when renewal of the lease may be requested by the lessee. If during this period the lessee is still actively engaged in aquaculture, as determined by the commission, the lessee shall have a prior right to renew the lease on terms agreed upon between the commission and the lessee. If terms are not agreed upon, the commission shall advertise for bids on the lease. If a request for renewal is not made by the lessee, the commission shall advertise for



bids on the lease. The commission shall consider bids only from aquaculturists registered pursuant to Section 15101.

(b) Notwithstanding subdivision (a), with respect to any lease of state water bottoms in effect on January 1, 1983, the lessee shall have a prior right to renew the lease. If the lessee does not renew the lease, the commission shall advertise for bids on the lease. The commission shall consider bids only from aquaculturists registered pursuant to Section 15101.

(c) A lease may be renewed for additional periods not to exceed 25 years each.

SEC. 25. Section 15406.5 is added to the Fish and Game Code, to read:

15406.5. The commission shall award water bottom leases to the highest responsible bidder, if the bid meets or exceeds the minimum annual rent established by the commission, which shall not be less than two dollars (\$2) per acre, for all species cultivated, unless the acreage applied for is 10 acres or less, in which case the minimum acceptable rent shall be ten dollars (\$10) per acre. The annual rent for any lease in effect on January 1, 1983, for the cultivation of oysters shall be one dollar (\$1) per acre until the expiration thereof. The commission may reject any or all bids for the lease of state water bottoms if it deems the rejection to be in the public interest.

SEC. 26. Section 15406.7 is added to the Fish and Game Code, to read:

15406.7. In addition to the rent provided for in Section 15406.5, every person operating under an oyster lease shall pay a privilege tax of two cents (\$.02) per packed gallon or fraction thereof of shucked oysters harvested by the lessee.

If the oysters are marketed in the shell, the tax shall be based on the equivalent yield of shucked oyster meat. In determining the yield of oysters, it shall be deemed that 100 oysters are equivalent to one packed gallon of shucked oyster meat.

The tax imposed by this section is the exclusive privilege tax that shall be imposed on lessees of state water bottoms for oyster cultivation, notwithstanding subdivision (a) of Section 15003.

SEC. 27. Section 15407 of the Fish and Game Code is amended to read:

15407. The annual rent shall be paid to the department within 30 days of the commencement of the lease and within 30 days of the anniversary thereof. The commission may establish penalty fees for late payment and may cancel the lease if rent is not paid within 90 days of the commencement of the lease or within 90 days of any anniversary thereof.

SEC. 28. Section 15410 of the Fish and Game Code is amended to read:

15410. All leases shall be subject to the power of the Legislature to increase or decrease the rents, fees, taxes, and other charges relating to the lease, but no increase in rent shall be applicable to an existing lease until it is renewed.

SEC. 29. Section 6302 of the Labor Code is amended to read:

6302. As used in this division:

(a) "Director" means the Director of Industrial Relations.  
(b) "Department" means the Department of Industrial Relations.  
(c) "Insurer" includes the State Compensation Insurance Fund and any private company, corporation, mutual association, and reciprocal or interinsurance exchange, authorized under the laws of this state to insure employers against liability for compensation under this part and under Division 4 (commencing with Section 3201), and any employer to whom a certificate of consent to self-insure has been issued.

(d) "Division" means the Division of Occupational Safety and Health.

(e) "Standards board" means the Occupational Safety and Health Standards Board, within the department.

(f) "Appeals board" means the Occupational Safety and Health Appeals Board, within the department.

(g) "Aquaculture" means a form of agriculture as defined in Section 17 of the Fish and Game Code.

SEC. 30. Section 30100.2 of the Public Resources Code is amended to read:

30100.2. "Aquaculture" means a form of agriculture as defined in Section 17 of the Fish and Game Code. Aquaculture products are agricultural products, and aquaculture facilities and land uses shall be treated as agricultural facilities and land uses in all planning and permit-issuing decisions governed by this division.

SEC. 31. Section 17063 of the Revenue and Taxation Code is amended to read:

17063. For purposes of this chapter, the items of tax preference are:

(a) An amount equal to the excess itemized deductions for the taxable year (as determined under Section 17063.2).

(b) With respect to each "Section 18212 property" (as defined in Section 18214), the amount by which the deduction allowable for the taxable year for exhaustion, wear or tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year, had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to Section 17211.7 or 17228.5) for which the taxpayer has held the property.

(c) With respect to each item of Section 18211 property (as defined in Section 18214) which is subject to a lease, the amount by which—

(1) The deduction allowable for the taxable year for depreciation or amortization, exceeds

(2) The deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

(d) With respect to the transfer of a share of stock pursuant to the exercise of a qualified stock option (as defined in subdivision (b) of Section 17532) or a restricted stock option (as defined in subdivision (b) of Section 17534), the amount by which the fair market value of the share at the time of exercise exceeds the option price.

(e) With respect to each property (as defined in Sections 17681 to 17690, inclusive), the excess of the deduction for depletion allowable under Section 17681 for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year).

(f) An amount equal to one-half of the amount by which net long-term capital gain exceeds the net short-term capital loss for the taxable year.

(g) Subdivision (f) of this section shall apply only to taxable years beginning after December 31, 1970, and ending on or before November 30, 1972. For taxable years beginning after December 31, 1971, the amount of the tax preference income with respect to capital gains shall be an amount (but not below zero) equal to the difference between (1) the taxpayer's total net capital gains and losses (determined without regard to any capital loss carryover) for the taxable year, and (2) the taxpayer's net capital gains and losses recognized by virtue of Section 18162.5 for the same taxable year.

(h) The amount of net farm loss in excess of fifty thousand dollars (\$50,000) which is deducted from nonfarm income. In the case of a husband or wife who files a separate return, the amount specified in the preceding sentence shall be twenty-five thousand dollars (\$25,000). This subdivision shall not apply if two-thirds or more of the taxpayer's average gross income from all sources for the taxable year and immediately preceding two years is from farming. Nor shall this subdivision apply if the net farm loss is the result of aquaculture activities. For purposes of this subdivision, "aquaculture" means a form of agriculture as defined in Section 17 of the Fish and Game Code.

(i) The excess of the intangible drilling and development costs described in Section 17283(c) paid or incurred in connection with oil, gas, and geothermal wells (other than costs incurred in drilling a nonproductive well) allowable under this part for the taxable year over the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in Section 17063.3) had been used with respect to such costs. This subdivision shall be applied separately with respect to.

(1) All oil and gas properties which are not described in paragraph (2), and

(2) All properties which are geothermal deposits (as defined in Section 613(e) (3) of the Internal Revenue Code of 1954).

SEC. 32. Notwithstanding Section 15 of Chapter 1336 and Section 11 of Chapter 1617 of the Statutes of 1982, the State Coastal Conservancy shall submit the final report required by those sections

to the Legislature on or before January 1, 1984.

SEC. 33.5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 34. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure stability in the leasing of state water bottoms for aquaculture purposes, to ensure preservation of the squid fishery in time for the 1983 season, and to preserve and protect the other fishery resources named in the act in as timely a manner as possible, it is necessary that this act take effect immediately.

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## CHAPTER 132

An act to amend Sections 14903, 14904, and 15251 of the Financial Code, relating to credit unions.

[Approved by Governor June 28, 1983 Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14903 of the Financial Code is amended to read:

14903. To determine the undivided profits, the credit union may credit the profit and loss account with the earnings from all sources during the dividend period. The credit union shall then deduct the following amounts for the dividend period:

(a) All expenses paid or incurred of whatever nature in the management of its affairs, the collection of its debts or the transaction of its business.

(b) The interest paid, or accrued and unpaid, on debts owing by it.

(c) All provisions for losses sustained by it in excess of its regular reserve.

SEC. 2. Section 14904 of the Financial Code is amended to read:

14904. The credit balance of the profit and loss account as determined pursuant to Section 14903, combined with the remaining balance of retained earnings from all prior periods, constitutes the undivided profit of the credit union at the close of such period.

SEC. 3. Section 15251 of the Financial Code is amended to read:

15251. If the dissolution of the credit union is voted the board of directors of the credit union shall elect a committee of three members or may by resolution appoint a liquidating agent to liquidate the assets of the credit union. If the commissioner is appointed liquidating agent, the commissioner may act as liquidating agent or appoint either the National Credit Union Administration or the California Credit Union Share Guaranty Corporation as liquidating agent. Whenever the commissioner is appointed liquidating agent, the credit union shall surrender its certificate to act as a credit union.

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## CHAPTER 133

An act to add Section 5096.159 to the Public Resources Code, to amend and supplement the Budget Act of 1981 by adding Section 8.35 thereto, and to amend and supplement the Budget Act of 1982 by adding Section 8.41 thereto, relating to parks and recreation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5096.159 is added to the Public Resources Code, to read:

5096.159. Funds appropriated for local assistance grants pursuant to subdivision (a) of Section 5096.151 shall be encumbered by the recipient within three years of the date the appropriation became effective, regardless of the date when each project was approved pursuant to subdivision (d) of Section 5096.157.

SEC. 2. Section 8.35 is added to the Budget Act of 1981 (Chapter 99, Statutes of 1981), to read:

Sec. 8.35. (a) Funds appropriated in subdivision (c) of Item 379-101-721 and in Item 379-101-742 for local assistance grants for park and recreation capital outlay projects were and are available for encumbrance by the recipient until June 30, 1984.

(b) Funds appropriated in subdivision (b) of Item 379-101-721 for local assistance grants pursuant to the Roberti-Z'berg Urban Open-Space and Recreation Program Act for capital outlay projects were and are available for encumbrance by the recipient until June 30, 1984, or the date established pursuant to paragraph (1) of subdivision (c) of Section 5626 of the Public Resources Code, whichever occurs earlier.

SEC. 3. Section 8.41 is added to the Budget Act of 1982 (Chapter 326, Statutes of 1982), to read:

Sec. 8.41. Funds appropriated in subdivision (b) of Item 3790-101-721 and in subdivision (b) of Item 3790-101-742, as amended

by Chapter 1421 of the Statutes of 1982, for local assistance grants for park and recreation capital outlay projects are available for encumbrance by the recipient until June 30, 1985.

SEC. 4. The provisions of Sections 2 and 3 of this act do not constitute a change in, but are declaratory of, the existing law.

SEC. 5. (a) Pursuant to Section 5096.96 of the Public Resources Code, the City of Firebaugh is hereby authorized to sell 1.8 acres of the Andrew Firebaugh Historical Park, as described in subdivision (b), which were acquired with a grant of State Beach, Park, Recreational and Historical Facilities Fund moneys appropriated by Item 390(49) of the Budget Act of 1975 (Chapter 176, Statutes of 1975) and under Department of Parks and Recreation project No. 10-0013, subject to all of the following conditions:

(1) The parcel and any improvements thereon shall be sold for at least fair market value.

(2) All proceeds of the sale, excluding the costs of sale, shall be expended only for the acquisition or development, or both, of outdoor park and recreation facilities at Andrew Firebaugh Historical Park or elsewhere within the city. Any proceeds not expended for this purpose shall be transmitted to the Department of Parks and Recreation and deposited in the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

(3) Prior to encumbering any proceeds from the sale, the City Council of the City of Firebaugh shall hold one or more public hearings on the subject of the new facilities to be acquired or developed with the proceeds of the sale and shall determine what new facilities shall be acquired or developed.

(4) Prior to encumbering any proceeds from the sale, the district shall enter into an agreement with the Department of Parks and Recreation with respect to the facilities to be acquired or developed as provided in Section 5096.96 of the Public Resources Code.

(b) All that portion of the northwest quarter of Section 28, T.12S., R.14E., M.D.B.&M., as shown on the Miller and Lux Subdivision Plat thereof, containing approximately 1.8 acres, described as follows:

Commencing at the intersection of the northeasterly prolongation of the southeasterly line of Block 24 of the Town (now City) of Firebaugh as shown on the Map thereof recorded in Book 1 at Page 13 of Miscellaneous Maps, Fresno County Records and the northeasterly line of "Q" Street of said Town of Firebaugh; thence N. 40°17'30"W., along the said northeasterly line of "Q" Street, a distance of 440.00 feet to an intersection with the northeasterly prolongation of the centerline of 12th Street as shown on the said map of the Town of Firebaugh; thence N.49°42'30"E., along said northeasterly prolongation of the centerline of 12th Street, a distance of 167.88 feet to a point on the southwesterly line of the San Joaquin River; thence N.83°22'E., along said southwesterly line of the San Joaquin River, a distance of 14.56 feet; thence leaving said southwesterly line of the San Joaquin River, S.40°17'30"E., along a line 180.00 feet northeasterly of and parallel with the said northeasterly

line of "Q" Street, a distance of 431.93 feet to a point of intersection with the northeasterly prolongation of the southeasterly line of said Block 24; thence S.49°42'30"W., along said northeasterly prolongation of the southeasterly line of Block 24, a distance of 180.00 feet to the point of commencement.

SEC. 6. Notwithstanding Sections 1, 2, and 3 of this act or any other provision of law, funds appropriated in the 1983-84 and any subsequent fiscal year for local assistance grants for park and recreation capital outlay projects to any city with a population in excess of 2,000,000 which has in effect a requirement imposing vehicle use fees or other park entry fees for any park within that city shall be encumbered by the recipient within one year of the date the appropriation became effective.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify, at the earliest possible time, the period of availability of encumbrance of appropriations for various local assistance grants for local park and recreation capital outlay projects, and to permit the City of Firebaugh to dispose of unneeded lands in the Andrew Firebaugh Historical Park without delay, it is necessary that this act take effect immediately.

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## CHAPTER 134

An act to amend Section 940 of, and to add Section 940.5 to, the Military and Veterans Code, relating to veterans.

[Approved by Governor June 28, 1983 Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 940 of the Military and Veterans Code is amended to read:

940. As used in this article, unless the context otherwise indicates, "veteran" means a person honorably discharged from the armed forces of the United States.

SEC. 2. Section 940.5 is added to the Military and Veterans Code, to read:

940.5. As used in this article, the terms "burial" and "interment" include cremation, except that the election of the form of interment as between burial and cremation shall be made pursuant to the first paragraph of Section 7100 of the Health and Safety Code.

## CHAPTER 135

An act to amend Section 3572 of the Government Code, relating to higher education employer-employee relations.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3572 of the Government Code is amended to read:

3572. This section shall apply only to the California State University.

(a) The duty to meet and confer in good faith requires the parties to begin negotiations prior to the adoption of the final budget for the ensuing year sufficiently in advance of the adoption date so that there is adequate time for agreement to be reached, or for the resolution of an impasse. The California State University shall maintain close liaison with the Department of Finance and the Legislature relative to the meeting and conferring on provisions of the written memoranda which have fiscal ramifications. The Governor shall appoint one representative to attend the meeting and conferring, including the impasse procedure, to advise the parties on the views of the Governor on matters which would require an appropriation or legislative action, and the Speaker of the Assembly and the Senate Rules Committee may each appoint one representative to attend the meeting and conferring to advise the parties on the views of the Legislature on matters which would require an appropriation or legislative action.

No written memoranda reached pursuant to the provisions of this chapter which require budgetary or curative action by the Legislature or other funding agencies shall be effective unless and until such an action has been taken. Following execution of written memoranda of understanding, an appropriate request for financing or budgetary funding for all state-funded employees or for necessary legislation will be forwarded promptly to the Legislature and the Governor or other funding agencies. When memoranda require legislative action pursuant to this section, if the Legislature or the Governor fail to fully fund the memoranda or to take the requisite curative action, the entire memoranda shall be referred back to the parties for further meeting and conferring; provided, however, that the parties may agree that provisions of the memoranda which are nonbudgetary and do not require funding shall take effect whether or not the funding requests submitted to the Legislature are approved.



## CHAPTER 136

An act to amend Section 1714.9 of the Civil Code, relating to liability.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1714.9 of the Civil Code is amended to read:

1714.9. (a) Notwithstanding statutory or decisional law to the contrary, any person is responsible not only for the results of that person's willful acts causing injury to a peace officer, firefighter, or any emergency medical personnel employed by a public entity, but also for any injury occasioned to that person by the want of ordinary care or skill in the management of the person's property or person, in any of the following situations:

(1) Where the conduct causing the injury occurs after the person knows or should have known of the presence of the peace officer, firefighter, or emergency medical personnel.

(2) Where the conduct causing the injury occurs after the person knows or should have known of the presence of the peace officer, firefighter, or emergency medical personnel, violates a statute, ordinance, or regulation, and was the proximate cause of an injury which the statute, ordinance, or regulation was designed to prevent, and the statute, ordinance, or regulation was designed to protect the peace officer, firefighter, or emergency medical personnel.

As used in this subdivision, a statute, ordinance, or regulation prohibiting resistance or requiring a person to comply with an order of a peace officer or firefighter is designed to protect the peace officer, firefighter, or emergency medical personnel.

(3) Where the conduct causing the injury was intended to injure the peace officer, firefighter, or emergency medical personnel.

(4) Where the conduct causing the injury is arson as defined in Section 451 of the Penal Code.

(b) This section does not preclude the reduction of an award of damages because of the comparative fault of the peace officer or firefighter in causing the injury.

(c) The employer of a firefighter, peace officer or emergency medical personnel may be subrogated to the rights granted by this section to the extent of the worker's compensation benefits, and other liabilities of the employer, including all salary, wage, pension, or other emolument paid to the employee or the employee's dependents.

(d) The liability imposed by this section shall not apply to an employer of a peace officer, firefighter, or emergency service personnel.

## CHAPTER 137

An act to amend Sections 1120.1a, 1138.3, and 1138.4 of the Probate Code, relating to estates, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1120.1a of the Probate Code is amended to read:

1120.1a. This section shall apply only to trusts which were created by a will executed before July 1, 1977, and not republished thereafter.

(a) Except as provided in subdivision (d), the trustee of such a trust shall give notice on or before July 1, 1983, or within six months after the initial funding of the trust, whichever occurs later, to each beneficiary, including all persons in being who shall or may participate in the corpus or income of the trust, at their last known addresses. Notice shall be given by registered or certified mail or, in the alternative, by first-class mail on the condition that an acknowledgment of receipt of notice is signed by the beneficiary and returned to the trustee. The notice shall contain the following information:

(1) A statement that as of January 1, 1983, Section 1120 of the Probate Code was amended to remove the necessity for mandatory court supervision of the trust.

(2) A statement that, unless the terms of trust limit or eliminate such authority, Section 1138.1 of the Probate Code gives the beneficiary and remainderman the right to petition a court to determine important matters relating to the administration of the trust, and a copy of the text of Section 1138.1.

(3) A statement that each income beneficiary, as defined in subdivision (1) of Section 730.01 of the Civil Code, is entitled to a statement of the income and principal receipts and disbursements of the trust at least annually and that any other beneficiary or remainderman, upon written request to the trustee, is entitled to such information at least annually.

(4) A statement that the beneficiary or remainderman is entitled to petition a court to settle the accounts and pass upon the acts of the trustee.

(5) The name and location of the superior court in the county in which it is appropriate to file a petition pursuant to Section 1138.1, the name and location of the superior court which had jurisdiction over the administration of the estate pursuant to Section 301, and a statement that it is appropriate to file a petition pursuant to Section 1138.1 with either court.

The trustee shall file with the court which previously had

jurisdiction over the administration of the estate, pursuant to Section 301, proof of service of the notice set forth in this subdivision on or before August 1, 1983, or within seven months after the initial funding of the trust, whichever occurs later.

(b) The trustee shall furnish, at least annually, and at termination of the trust, a statement of the income and principal receipts and disbursements that have occurred since the immediately preceding statement to each income beneficiary, as defined in subdivision (1) of Section 730.01 of the Civil Code. The trustee shall also furnish such information to any other beneficiary or remainderman who has made a written request therefor.

(c) Within 90 days after the end of each fiscal year of the trust, the trustee shall furnish the summary of information described in this subdivision to each income beneficiary, as defined in subdivision (1) of Section 730.01 of the Civil Code, and, upon written request, to any other beneficiary or remainderman. The summary shall set forth the following:

- (1) The cost of each trust asset.
- (2) The present value of each asset as of the end of the current fiscal year of the trust.
- (3) The total present value of all assets as of the end of the current fiscal year and the immediately preceding fiscal year of the trust.
- (4) The net income for the current fiscal year and the immediately preceding fiscal year of the trust.
- (5) Trustee compensation for the current fiscal year and the immediately preceding fiscal year of the trust.

The summary shall also state that the recipient may petition a court pursuant to Section 1138.1 to obtain a court review, shall set forth a copy of the text of Section 1138.1, and shall give the name and location of the appropriate court or courts in which to file a petition.

(d) Notwithstanding the provisions of subdivision (a) of Section 1120, with respect to a trust where no trustee is a trust company, as defined in Section 107 of the Financial Code, the trustee may remove the trust from the continuing jurisdiction of the superior court only with the approval of the court which has jurisdiction over the administration of the trust pursuant to Section 1120. Unless the trust is so removed, the trustee is not required to comply with the requirements of subdivisions (a), (b), and (c). To obtain such approval the trustee may file at any time and from time to time, in his or her discretion, a verified petition with the clerk setting forth the trust accounts in detail, reporting his or her acts as trustee, and showing the condition of the trust estate. Unless the petition is filed with the court which has jurisdiction over the administration of the trust pursuant to Section 1120, the trustees shall attach to the petition a certified copy of the decree setting forth all of the trust provisions. Thereupon the clerk shall set the petition for hearing by the court. Notice of the hearing shall be given, along with a copy of the petition, at least 30 days before the hearing to all those persons who are entitled to receive the notice required by subdivision (a). At the

hearing the court may receive testimony from any interested person and may grant or deny the petition, or grant the petition upon such conditions as the court in its discretion deems proper. In the event the petition is granted, the trustee shall send the notice and file the proof of service required by subdivision (a) within six months and seven months, respectively, from the date the petition is granted. Such notice shall have attached to it a copy of the order of the court granting the petition. If no such petition is granted, the trust shall continue to be administered under subdivisions (b) and (c) of Section 1120 as if the testator had provided in the will that the superior court shall not lose jurisdiction of the estate by final distribution and subdivisions (b) and (c) of this section shall not apply to the trust. Nothing provided in this subdivision shall be interpreted to require any trustee to file a petition authorized by this subdivision.

(e) When a beneficiary or remainderman is a minor, ward or conservatee, any notice, statement, or summary required to be sent to the beneficiary or remainderman by this section shall be sent to the parent, guardian, or conservator, as the case may be, of the beneficiary or remainderman. In addition, if the trustee, at the time the notice required by subdivision (a) is sent, has actual knowledge that a beneficiary or remainderman who is not a minor, ward, or conservatee is being assisted by another individual in the handling of his or her personal affairs, the trustee shall send the notice required by subdivision (a) to both that individual and the beneficiary or remainderman and, upon the written request of either of them, shall also send the statements and summaries required by subdivisions (b) and (c) to both of them.

(f) Where the trust is a charitable trust subject to Article 7 (commencing with Section 12580) of Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code, upon the vesting of any charitable interest created by the trust the trustee shall thereafter furnish to the Attorney General the statements and summaries required by subdivisions (b) and (c) without the necessity of any written request. A charitable interest is deemed to be vested within the meaning of this subdivision as of the time when it is first ascertainable that income or corpus is, or in the future will be, paid to a charity or applied for a charitable purpose. Notwithstanding the provisions of Section 1138, the Attorney General may petition the court to settle the account and pass upon the acts of the trustee as provided in Section 1138.1.

(g) If a trust company, as defined in Section 107 of the Financial Code, is appointed as a successor trustee of a trust which, at the time of the appointment, is subject to the continuing jurisdiction of the superior court because it was not removed pursuant to the provisions of subdivision (d), the successor trustee shall send the notice and proof of service required by subdivision (a) within six months and seven months from the date of appointment, respectively. After a trust is no longer subject to the continuing jurisdiction of the superior

court, whether by operation of law or by removal pursuant to subdivision (d), neither a change in trustees nor any other event shall cause the trust to be subject to the provisions of Sections 1120 to 1133, inclusive.

SEC. 2. Section 1138.3 of the Probate Code is amended to read:

1138.3. (a) Proceedings under this article shall be commenced in the superior court of the county in which is located the principal place of administration of the trust. As used in this section, the "principal place of administration of the trust" is the trustee's usual place of business where the day-to-day records pertaining to the trust are kept or the trustee's residence if he has no such place of business. In the case of cotrustees, the principal place of administration is the usual place of business where such records are kept, or, if none, the usual place of business or residence of any of the cotrustees as agreed upon by them, or, if none, the county in which any trustee resides or maintains a place of business.

(b) Proceedings under this article with respect to a trust created by a will subject to Section 1120.1a, which is not subject to the continuing jurisdiction of the superior court, shall be commenced either in the superior court described in subdivision (a) or in the superior court which has jurisdiction over the administration of the estate pursuant to Section 301.

SEC. 3. Section 1138.4 of the Probate Code is amended to read:

1138.4. Each proceeding under this article shall be commenced by filing a verified petition which shall state facts showing that the petition is authorized under this article and the terms of the trust. No filing fee shall be required of any petitioner in a proceeding commenced pursuant to this article with respect to a trust created by a will subject to Section 1120.1a which is not subject to the continuing jurisdiction of the superior court.

SEC. 4. It is the intent of the Legislature that any trustee which, on or before the effective date of this act, sent a notice which complied with the provisions of subdivision (a) of Section 1120.1a, as that subdivision read prior to the enactment of this act, shall be deemed in compliance with subdivision (a) of Section 1120.1a and shall not be required to send a subsequent notice reflecting the changes made by this act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify existing provisions of law which specify the duties of a trustee with respect to the beneficiaries and remaindermen of a trust which was created by a will executed before July 1, 1977, and which is not subject to the continuing jurisdiction of the superior court, it is necessary that this act take effect immediately.

## CHAPTER 138

An act to add Section 2225 to the Civil Code, relating to trusts.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2225 is added to the Civil Code, to read:

2225. A voluntary trust shall not be deemed invalid, merged, or terminated if the trustor is also the sole trustee and sole beneficiary during the trustor's lifetime, or if there are two or more trustors, one or more of whom is a trustee, and the beneficial interest in the trust is in the trustors during the lifetimes of the trustors, so long as the trust provides for one or more successor beneficiaries or remaindermen following the death of the trustor. This section shall apply, subject to the provisions of Section 852, to any voluntary trust created prior to, on, or after January 1, 1984.

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CHAPTER 139

An act to amend Section 20211 of the Public Contract Code, relating to transit districts.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 20211 of the Public Contract Code is amended to read:

20211. The purchase of all supplies, equipment, and materials, when the expenditure required exceeds twenty-five thousand dollars (\$25,000), and the construction of facilities and works, when the expenditure exceeds ten thousand dollars (\$10,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

## CHAPTER 140

An act to amend Section 1463.16 of the Penal Code, relating to driving offenses.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1463.16 of the Penal Code is amended to read:

1463.16. Notwithstanding Section 1463, of the moneys deposited with the county treasurer pursuant to Section 1463, fifty dollars (\$50) of each fine for each conviction of a violation of Section 23103, 23104, 23152, or 23153 of the Vehicle Code shall be deposited in a special account for exclusive allocation by the administrator of the county's alcoholism program, with approval of the board of supervisors, for alcohol programs and services for the general population. These funds shall be allocated through the local planning process pursuant to specific provision in the county plan which is submitted to the State Department of Alcohol and Drug Programs. For those services for which standards have been developed and certification is available, programs must be certified by the Department of Alcohol and Drug Programs or have made application for certification to be eligible for funding under this section. The county alcohol administrator shall implement the intent and procedures of subdivision (b) of Section 11812 of the Health and Safety Code while distributing funds under this section.

It is the specific intent of the Legislature that funds expended under this part shall be used for ongoing alcoholism program services as well as for contracts with private nonprofit organizations to upgrade facilities to meet state certification and licensing standards and federal nondiscrimination regulations relating to accessibility for handicapped persons.

Counties may retain up to 5 percent of the funds collected to offset administrative costs of collection and disbursement. The State Department of Alcohol and Drug Programs may charge a fee to offset costs of certification of programs.

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CHAPTER 141

An act to amend Sections 2030 and 2033 of the Code of Civil Procedure, relating to discovery of evidence.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

**SECTION 1.** Section 2030 of the Code of Civil Procedures is amended to read:

2030. (a) Any party may serve upon any other party written interrogatories to be answered by the party served or, if the party served is a public or private corporation or a partnership or association, or body politic, by any officer or agent, who shall furnish such information as is available to the party. Interrogatories may be served upon any other party at any time after service of the summons or the appearance of such other party and without leave of court except that, if service of interrogatories is made by the plaintiff within 10 days after such service of summons or appearance, leave of court granted with or without notice must first be obtained. The interrogatories shall be answered separately and fully in writing under oath. The answers shall be signed by the person making them; and the party upon whom the interrogatories have been served shall serve the answers on the party submitting the interrogatories within 30 days after the service of the interrogatories, unless the court, on motion and notice and for good cause shown, enlarges or shortens the time. For good cause and without notice, the court may enlarge the time not to exceed 15 days. Such answers shall respond to the written interrogatories; or, if any interrogatory be deemed objectionable, the objections thereto may be stated by the party addressed in lieu of response. If the party who has submitted the interrogatories deems that further response is required, he may move the court for an order requiring further response. Such motion must be upon notice given within 45 days from the date of service of the answers or objections unless the court, on motion and notice, and for good cause shown, enlarges the time. Otherwise, the party submitting the interrogatories shall be deemed to have waived the right to compel answer pursuant to this section. Copies of all interrogatories and of all answers thereto shall be served upon all other parties to the action who have appeared; but the court on motion with or without notice may waive this requirement if the court determines that enforcement thereof would be unduly expensive, oppressive or burdensome. At any time prior to final judgment and upon written request, the party originating interrogatories or responses thereto shall provide within 30 days of such request a copy thereof to any other party for any reason not previously served.

The party serving the interrogatories shall retain the original thereof with the original proof of service affixed thereto. The party responding to the interrogatories shall serve the original responses made under oath upon the party serving the interrogatories. The original responses shall be retained by the party serving the interrogatories. No party required to retain the original interrogatories and responses thereto pursuant to this paragraph shall be required to retain such documents after final judgment in the action in which such interrogatories are served.

(b) The written interrogatories and any responses thereto shall not be filed unless the court, on motion and notice and for good cause



shown, so orders. Notwithstanding subdivision (a), any party may lodge with the court the original or a copy of any written interrogatories or responses thereto, but these shall not be filed unless the court determines that their contents have become relevant to an issue in a trial or other proceeding.

(c) Interrogatories may relate to any matters which can be inquired into under subdivision (b) of Section 2016 of this code, and the answers may be used to the same extent as provided in subdivision (d) of Section 2016 of this code for the use of the deposition of a party. Interrogatories may be served after a deposition has been taken, and a deposition may be sought after interrogatories have been answered, but the court, on motion of the deponent or the party interrogated, may make such protective order as justice may require. The number of interrogatories or of sets of interrogatories to be served is not limited except as above provided and except as justice requires to protect the party from annoyance, expense, embarrassment or oppression. The provisions of subdivision (b) of Section 2019 of this code are applicable for the protection of the party from whom answers to interrogatories are sought under this section.

(d) When in order to answer an interrogatory it is necessary to make a compilation, abstract, audit or summary of the business records of a party, and such a compilation, abstract, audit or summary does not exist, or if it does exist, it is not in the possession or under control of such party, it shall be a sufficient answer to such interrogatory to so state and to specify the records from which the answer may be derived or ascertained and to afford to the party by whom the interrogatory was proposed reasonable opportunity to examine, audit or inspect such records and to make copies thereof or compilations, abstracts or summaries therefrom.

(e) Service of interrogatories and responses under this section may be made upon any party or his attorney in the manner provided in Chapter 5 (commencing with Section 1010) of Title 14 of Part 2.

SEC. 2. Section 2033 of the Code of Civil Procedures is amended to read:

2033. (a) After service of summons or the appearance of a party, any other party who has appeared in the action may serve upon any party who has been served or who has appeared a written request for the admission by the latter of the genuineness of any relevant documents described in the request or of the truth of any relevant matters of fact set forth in the request. If a plaintiff desires to serve a request within 10 days after the service of summons or the appearance, leave of court, granted with or without notice, shall be obtained. Copies of the documents shall be served with the request unless copies have already been furnished, and upon request the originals shall be made available for inspection. Each of the matters of which an admission is requested shall be deemed admitted, provided that the original request contained substantially the following words at the end thereof: "If you fail to comply with the provisions of Section 2033 of the Code of Civil Procedure with respect to this request for admissions, each of the matters of which an admission is requested will be deemed admitted", unless, within

the period designated in the request, not less than 30 days after service thereof or within a shorter time as the court may allow for good cause on motion and notice to the party to whom the request is directed or within such longer time as the court may allow for good cause and with or without notice, but in no event later than 60 days prior to the date of trial, the party to whom the request is directed serves upon the party requesting the admission either (1) a sworn statement denying specifically the matters of which an admission is requested or setting forth in detail the reasons why the party cannot truthfully admit or deny those matters or (2) written objections on the ground that some or all of the requested admissions are privileged or irrelevant or that the request is otherwise improper in whole or in part. If written objections to a part of the request are made, the remainder of the request shall be answered within the period designated in the request. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party deny only a part of a matter of which an admission is requested, or that the party qualify his or her response thereto, the party shall specify so much of it as is true and deny or qualify only the remainder. If the party who has submitted the requests for admissions deems that further response is required, he or she may move the court for an order requiring further response. The motion shall be upon notice given within 45 days from the date of service of the responses unless the court, on motion and notice, and for good cause shown, enlarges the time. Otherwise, the party submitting the requests for admissions shall be deemed to have waived the right to compel further responses pursuant to this section. Copies of all requests for admissions and of all responses thereto shall be served upon all other parties to the action who have appeared; but the court on motion with or without notice may waive this requirement if the court determines that enforcement thereof would be unduly expensive, oppressive, or burdensome. At any time prior to final judgment and upon written request, the party originating requests for admissions or responses thereto shall provide within 30 days of the written request a copy thereof to any other party for any reason not previously served.

The party responding to the request for admissions shall serve the original responses made under oath upon the party serving the request for admissions. The party serving the request for admissions shall retain the original thereof with the original proof of service affixed thereto and the original responses for at least six months after the judgment has become final.

Upon failure of a party served with requests for admissions pursuant to this section either to answer or to file objections within the period as designated in the request or as extended by the court, the party making the request may serve upon the other party a notice in writing by certified or registered mail, return receipt requested, notifying the party so served that the genuineness of the documents or the truth of the facts has been deemed admitted. Once the notice is served, the party upon whom the notice is served shall not have the right to apply for relief under the provisions of Section

473 unless a motion requesting relief is served and filed within 30 days after service of the notice.

(b) The number of requests for admissions or of sets of requests for admissions to be served is not limited except as justice requires to protect the party from annoyance, expense, embarrassment, or oppression. The provisions of subdivision (b) of Section 2019 are applicable for the protection of the party from whom the admissions are requested under this section.

(c) Any admission made by a party pursuant to such request is for the purpose of the pending action only and neither constitutes an admission by the party for any other purpose nor may be used against the party in any other action.

(d) Service upon a party of any request for admission or response under this section may be made upon any party or the party's attorney in the manner provided in Chapter 5 (commencing with Section 1010) of Title 14 of Part 2.

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## CHAPTER 142

An act to amend Sections 8762 and 11003.4 of the Business and Professions Code, to amend Section 2981.7 of the Civil Code, to amend Sections 472, 472a, 585.5 and 587 of the Code of Civil Procedure, to amend Section 15527 of, to amend and renumber the heading of Chapter 2 (commencing with Section 21000) of Part 12 of, to amend and renumber the heading of Article 2 (commencing with Section 78230) of Chapter 2 of Part 48 of, and to repeal the heading of Chapter 1 (commencing with Section 21000) of Part 12 of, the Education Code, to amend Sections 15272, 22935, 23531, 23540.5, 23557, 27031, 27100, and 27341 of the Elections Code, to amend Sections 102, 6054, 6059, 6067, and 6085 of the Food and Agricultural Code, to amend Sections 3208, 3572, 3586, 8188, 8208, 8214.3, 8214.4, 8567, 8818, 9125, 11018, 11019, 11349.4, 11550, 14404, 14838, 14903, 14955, 16366.2, 16503, 19131, 19132, 20570, 20750.8, 20750.85, 20750.86, 22009, and 51110.2 of, to amend and renumber the headings of Article 1.8 (commencing with Section 16369) of Chapter 2 of Part 2 of Division 4 of, and Article 3 (commencing with Section 19570) of Chapter 8 of Division 5 of Title 2 of, to repeal Sections 14841, 14962, and 18801.1, of, to repeal the headings of Chapter 5 (commencing with Section 16170) of Division 4 of, and Chapter 6 (commencing with Section 18250) of Division 5 of Title 2 of, the Government Code, to amend Sections 4000 and 6201, of the Harbors and Navigation Code, to amend Sections 18029.5, 18030, 18031, 18942, 19820, 25651, 25803, 28744, 30001, 30002, 39601, 50701, 51005, and 51050 of, to amend and renumber Section 19026 of, to repeal Sections 18550.5, 25356, and 32130.7 of, the Health and Safety Code, to amend Sections 1190, 1210, 1350, 10499, 10500, 10507.2, 11512.21, 11512.25, 11527, 11528, 11555.2 and 12762 of, to amend and renumber Sections 11512.1 and 11512.2 of, the Insurance Code, to amend Sections 51, 103, 1144, 1700.36, 1720.3, 4650.5, 4700, 4702, 4706.5, 4721, 4723, 4903.2, 5455,

5600, 6304.4, 6396, 6403, 6410, 6413, 6454, 6500, 6650, and 7655 of the Labor Code, to amend Sections 987.8 and 1603 of, to amend and renumber Section 1170.8 of, the Penal Code, to amend Section 608 of the Probate Code, to amend Sections 4799.10 and 9965 of the Public Resources Code, to amend Sections 304, 705, 1906, 2702, 2703, 2707, 3904, 5162, 5164, 5392, 5504, 99314.3, 100055.4, 102304, and 102571 of the Public Utilities Code, to amend Sections 12631, 17056, 17063.3, 17112.5, 17155, 17299, 17524, 17530, 25951, and 26132 of, and to amend and renumber Sections 17052.4 and 23603 of, and to add Section 19356 to, the Revenue and Taxation Code, to amend Sections 188.8, 680, 701, and 724 of the Streets and Highways Code, to amend Sections 625, 3061, 3063, 4460, 4601, 4602, 9102.5, 9706, 9853.4, 11520, 23181, 25108, 27909, 34501.5, and 40000.7 of the Vehicle Code, to amend Sections 127, 259, and 2782 of the Water Code, to amend Sections 1722, and 16712 of the Welfare and Institutions Code, and to repeal Section 3 of Chapter 61 of the Statutes of 1978, as amended by Chapter 1055 of the Statutes of 1979, relating to maintenance of the codes.

[Approved by Governor June 28, 1983 Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8762 of the Business and Professions Code is amended to read:

8762. After making a survey in conformity with the practice of land surveying, the surveyor or civil engineer may file with the county surveyor in the county in which the survey was made, a record of the survey.

Within 90 days after the establishment of points or lines the licensed land surveyor or registered civil engineer shall file with the county surveyor in the county in which the survey was made, a record of the survey relating to land boundaries or property lines, which discloses any of the following:

(a) Material evidence or physical change, which in whole or in part does not appear on any map or record previously recorded or filed in the office of the county recorder, county clerk, municipal or county surveying department or in the records of the Bureau of Land Management of the United States.

(b) A material discrepancy with the record.

(c) Evidence that, by reasonable analysis, might result in alternate positions of lines or points.

(d) The establishment of one or more lines not shown on any such map, the positions of which are not ascertainable from an inspection of the map without trigonometric calculations.

Any record of survey filed with the county surveyor shall after being examined by him or her be filed with the county recorder.

SEC. 2. Section 11003.4 of the Business and Professions Code is amended to read:

11003.4. (a) A "limited-equity housing cooperative" is a corporation which meets the criteria of Section 11003.2 and which also meets the criteria of Section 33007.5 of the Health and Safety Code. Except as provided in subdivision (b), a limited-equity housing cooperative shall be subject to all the requirements of this chapter pertaining to stock cooperatives.

(b) A limited-equity housing cooperative shall be exempt from the requirements of this chapter if the limited-equity housing cooperative complies with all the following conditions:

(1) The United States Department of Housing and Urban Development, the Farmers Home Administration, the National Consumers Cooperative Bank, the California Housing Finance Agency, or the Department of Housing and Community Development, alone or in any combination with each other, or with the city, county, or redevelopment agency in which the cooperative is located, directly finances or subsidizes at least 50 percent of the total development cost; or, the real property to be occupied by the cooperative was sold by the Department of Transportation for the development of the cooperative and has a regulatory agreement approved by the Department of Housing and Community Development.

(2) No more than 10 percent of the total development cost is provided by purchasers of membership shares.

(3) A regulatory agreement has been duly executed between the recipient of the financing or subsidy and one of the federal or state agencies described in paragraph (1) which covers the cooperative for a term of at least as long as the duration of the financing or subsidy. The regulatory agreement shall make provisions for at least all of the following:

(A) Assurances for completion of the common areas and facilities to be owned or leased by the limited-equity housing cooperative, unless a construction agreement between the same parties contains written assurances for completion.

(B) Governing instruments for the organization and operation of the housing cooperative by the members.

(C) The ongoing fiscal management of the project by the cooperative including an adequate budget, reserves, and provisions for maintenance and management.

(D) Distribution of a membership information report to any prospective purchaser of a membership share, prior to purchase of that share. The membership information report shall contain full disclosure of: the financial obligations and responsibilities of cooperative membership, the resale of shares, the financing of the cooperative including any arrangements made with any partners, membership share accounts, occupancy restrictions, management arrangements and any other information pertinent to the benefits, risks, and obligations of cooperative ownership.

(4) The federal or state agency named in paragraph (1) which executes the regulatory agreement shall satisfy itself that the bylaws,

articles of incorporation, occupancy agreement, subscription agreement, any lease of the regulated premises, any arrangement with partners, and arrangement for membership share accounts provide adequate protection of the rights of cooperative members.

(5) The federal or state agency shall receive from the attorney for the recipient of the financing or subsidy a legal opinion that the cooperative meets the requirements of Section 33007.5 of the Health and Safety Code and the exemption provided by this section.

(c) Any limited-equity cooperative which meets the requirements for exemption pursuant to subdivision (b) may elect to be subject to all provisions of this chapter.

(d) The developer of the cooperative shall notify the Department of Real Estate, on a form provided by the department, that an exemption is claimed under this section. The Department of Real Estate shall retain this form for at least four years for statistical purposes.

SEC. 3. Section 2981.7 of the Civil Code is amended to read:

2981.7. All contracts entered into between a buyer and a seller on or after January 1, 1983, shall provide for the calculation of the finance charge contemplated by item (A) of paragraph (1) of subdivision (j) of Section 2982 on the simple-interest basis, if the date on which the final installment is due, according to the original terms of the contract, is more than 62 months after the date of the contract.

SEC. 4. Section 472 of the Code of Civil Procedure is amended to read:

472. Any pleading may be amended once by the party of course, and without costs, at any time before the answer or demurrer is filed, or after demurrer and before the trial of the issue of law thereon, by filing the same as amended and serving a copy on the adverse party, and the time in which the adverse party must respond thereto shall be computed from the date of notice of the amendment.

SEC. 5. Section 472a of the Code of Civil Procedure is amended to read:

472a. (a) A demurrer is not waived by an answer filed at the same time.

(b) Except as otherwise provided by rule adopted by the Judicial Council, when a demurrer to a complaint or to a cross-complaint is overruled and there is no answer filed, the court shall allow an answer to be filed upon such terms as may be just. If a demurrer to the answer is overruled, the action shall proceed as if no demurrer had been interposed, and the facts alleged in the answer shall be considered as denied to the extent mentioned in Section 431.20.

(c) When a demurrer is sustained, the court may grant leave to amend the pleading and shall fix the time within which the amendment or amended pleading shall be filed, or entered in the docket.

SEC. 6. Section 585.5 of the Code of Civil Procedure is amended to read:

585.5. (a) Every application to enter default under subdivision

(a) of Section 585 shall include, or be accompanied by, an affidavit stating facts showing that the action is or is not subject to Section 1812.10 or 2984.4 of the Civil Code or subdivision (b) of Section 395.

(b) When a default or default judgment has been entered without full compliance with Section 1812.10 or 2984.4 of the Civil Code, or subdivision (b) of Section 395, the defendant may serve and file a notice of motion to set aside the default or default judgment and for leave to defend the action in the proper court. The notice of motion shall be served and filed within 60 days after the defendant first receives notice of levy under a writ of execution, or notice of any other procedure for enforcing, the default judgment.

(c) A notice of motion to set aside a default or default judgment and for leave to defend the action in the proper court shall designate as the time for making the motion a date not less than 10 nor more than 20 days after filing of the motion, and it shall be accompanied by an affidavit showing under oath that the action was not commenced in the proper court according to Section 1812.10 or 2984.4 of the Civil Code or subdivision (b) of Section 395. The party shall serve and file with the notice a copy of the answer, motion, or other pleading proposed to be filed in the action.

(d) Upon a finding by the court that the motion was made within the period permitted by subdivision (b) and that the action was not commenced in the proper court, it shall set aside the default or default judgment on such terms as may be just and shall allow such a party to defend the action in the proper court.

(e) Unless the plaintiff can show that the plaintiff used reasonable diligence to avoid filing the action in the improper court, upon a finding that the action was commenced in the improper court the court shall award the defendant actual damages and costs, including reasonable attorney's fees.

SEC. 7. Section 587 of the Code of Civil Procedure is amended to read:

587. An application by a plaintiff for entry of default under subdivision (a) or (b) of Section 585 or Section 586 or an application for judgment under subdivision (c) of Section 585 shall include an affidavit stating that a copy of the application has been mailed to the defendant's attorney of record or, if none, to the defendant at his or her last known address and the date on which the copy was mailed. If no such address of the defendant is known to the plaintiff or plaintiff's attorney the affidavit shall state that fact.

No application for judgment under subdivision (c) of Section 585 shall be heard, and no default under subdivision (a) or (b) of Section 585 or Section 586 shall be entered, unless the affidavit is filed. The nonreceipt of the notice shall not invalidate or constitute ground for setting aside any judgment.

SEC. 8. Section 15527 of the Education Code is amended to read:

15527. No apportionment to a school district or community college district under this chapter shall become final, nor shall any agreement authorized by Section 15528 be entered into, unless at an

election called by the governing board of the district, two-thirds of the qualified electors of the district voting thereat have authorized the governing board to accept, expend, and repay an apportionment as provided in this chapter or, with respect to an agreement authorized by Section 15528, to obligate the district in an amount equal to or in excess of the maximum amount which the district could be obligated by the agreement, or by any act of its governing board, or for which it is responsible, contemplated, or permitted under the agreement. The election shall be called, held, and conducted in the same manner as are elections to authorize the issuance of district bonds, except that the ballot shall contain substantially the following words:

“Shall the governing board of the district be authorized (1) to accept and expend an apportionment from the State of California under and subject to the provisions of the State Project Area School Construction Law, a portion of which amount is subject to repayment as provided by said law, or (2) to enter into an agreement or agreements with the state pursuant to Section 15528 of the Education Code, which will at the time of such agreement or agreements (or at the time of any subsequent act of the governing board, or for which it is responsible, contemplated or permitted thereby) commit the district to a total expenditure in connection with all such agreements of not more than \_\_\_\_\_ dollars, or both. Yes \_\_\_\_\_ No \_\_\_\_\_.”

SEC. 9. The heading of Chapter 1 (commencing with Section 21000) of Part 12 of the Education Code is repealed.

SEC. 10. The heading of Chapter 2 (commencing with Section 21100) of Part 12 of the Education Code is amended and renumbered to read:

#### CHAPTER 1. FOUNDATIONS, TRUSTS, AND INSTITUTIONS OF ARTS AND SCIENCES

SEC. 11. The heading of Article 2 (commencing with Section 78230) of Chapter 2 of Part 48 of the Education Code is amended and renumbered to read:

##### Article 2.5. Military Science

SEC. 12. Section 15272 of the Elections Code is amended to read:  
15272. The clerk may count absent voter ballots by the use of a voting machine or vote tabulating device subject to all of the following:

(a) All interested persons shall be afforded the opportunity to be present.

(b) No vote shall be counted unless there are at least three persons observing the counting procedure.

(c) The voting machine or device shall be inspected, all of its registering counters set at zero (000) and locked.



(d) The clerk may appoint persons to assist in the counting of these ballots. No person shall be appointed who is not fully qualified to perform his or her duties.

(e) No vote shall be registered in the voting machine or device unless all persons present are in agreement that the voting machine or device reflects exactly the vote of the ballot being counted.

(f) When the votes of all absent voter ballots have been registered in the voting machine or device, the results of the votes cast shall be tabulated in the same manner as the results from other voting machines or devices.

SEC. 13. Section 22935 of the Elections Code is amended to read:

22935. Recount of votes in municipal elections shall be governed by the provisions of Chapter 13 (commencing with Section 17140) of Division 12.

SEC. 14. Section 23531 of the Elections Code is amended to read:

23531. Absent voting shall be allowed and conducted as nearly as practicable in accordance with Division 2 (commencing with Section 1000) pertaining to general elections, except in those districts in which voting by proxy is allowed unless a particular district shall, by resolution pursuant to Section 23511.1, provide for an all-mail ballot election.

SEC. 15. Section 23540.5 of the Elections Code is amended to read:

23540.5. Candidates' statements of their qualifications submitted in accordance with Section 10012 shall be filed with the county clerk who shall cause the voters' pamphlet, if any is required, to be mailed along with the notice required by Section 23540.

SEC. 16. Section 23557 of the Elections Code is amended to read:

23557. Notwithstanding Chapter 1 (commencing with Section 2500) of Division 4, no landowner voting district election shall be consolidated with any resident voter election whether or not it is held pursuant to this part or not. Except as specified in the preceding sentence, an election conducted by a district subject to the provisions of this part may be consolidated with any other election pursuant to Chapter 4 (commencing with Section 23300) of Part 2.

SEC. 17. Section 27031 of the Elections Code is amended to read:

27031. Before any signature may be affixed to a recall petition, each page of each section shall bear all of the following in no less than six-point type:

(a) A request that an election be called to elect a successor to the officer; or, in the case of a city recall, a request that an election be called to determine whether the officer shall be removed from office and whether the vacancy, if any, shall be filled by appointment or special election.

(b) A copy of the notice of intention, including the statement of grounds for recall.

(c) The answer of the officer sought to be recalled, if any. If the officer sought to be recalled has not answered, the petition shall so state.

SEC. 18. Section 27100 of the Elections Code is amended to read: 27100. This chapter applies only to the recall of state officers.

In addition to the provisions contained in this chapter, the provisions of Sections 13 to 18, inclusive, of Article 11 of the Constitution and the applicable provisions of Chapters 1 (commencing with Section 27000) and 4 (commencing with Section 27300) shall govern the recall of state officers.

SEC. 19. Section 27341 of the Elections Code is amended to read:

27341. Nominations of candidates to succeed the recalled officer shall be made in the manner prescribed for nominating a candidate to that office in a regular election insofar as that procedure is consistent with this article. The following exceptions shall be made to that procedure:

(a) The nomination papers and the declaration of candidacy shall, in each case, be filed no less than 59 days prior to the date of the election and not before the day the order of the election is issued.

(b) If the clerk is required to certify to the governing board the names of the candidates to be placed on the ballot, that shall be done by the 54th day prior to the election.

(c) No person whose recall is being sought may be a candidate to succeed himself or herself at a recall election.

SEC. 20. Section 102 of the Food and Agricultural Code is amended to read:

102. The department is under the control of a civil executive officer known as the Director of Food and Agriculture who shall receive the salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code. The director shall be appointed by, and hold office at the pleasure of, the Governor. The director shall execute and deliver, as provided by law, an official bond in the sum of twenty-five thousand dollars (\$25,000).

SEC. 21. Section 6054 of the Food and Agricultural Code is amended to read:

6054. The commissioner shall file the cottongrowers register within 60 days of receipt of the order from the board of supervisors or by March 1st, whichever date is the later. The commissioner shall file with the register of cottongrowers a report and recommendation to the board of supervisors on whether conditions of disease, insect, or other pests of cotton warrant the board of supervisors in proceeding with the organization of the district.

SEC. 22. Section 6059 of the Food and Agricultural Code is amended to read:

6059. The board of supervisors shall, at the next regular or special meeting following the hearing upon the question of the organization of the proposed district, meet and, if it determines that the evidence presented at the hearing was sufficient to warrant the organization of the district, shall, by order entered upon its minutes, declare the district duly organized under the name designated in the petition. The order shall describe the boundaries of the district so that all lands

included in it may be known, and a copy of the order shall be filed for record in the office of the county recorder of the county where the district is situated.

SEC. 23. Section 6067 of the Food and Agricultural Code is amended to read:

6067. Except as otherwise provided by this chapter, all acts of the board of directors shall be by resolution, and the adoption of a resolution shall require the affirmative vote of a majority of the board of directors.

SEC. 24. Section 6085 of the Food and Agricultural Code is amended to read:

6085. This chapter shall be known and may be cited as the Cotton Pests Abatement District Act.

SEC. 25. Section 3208 of the Government Code is amended to read:

3208. Except as provided in Section 19990, the limitations set forth in this chapter shall be the only restrictions on the political activities of state employees.

SEC. 26. Section 3572 of the Government Code is amended to read:

3572. This section applies only to the California State University.

The duty to engage in meeting and conferring requires the parties to begin meeting and conferring at least 60 days prior to the expiration of memoranda of understanding, or the May 1, if earlier, of any year in which a memorandum shall expire, or May 1, if there is no existing memorandum. The California State University shall maintain close liaison with the Department of Finance and the Legislature relative to the meeting and conferring on provisions of the written memoranda which have fiscal ramifications. The Governor shall appoint one representative to attend the meeting and conferring, including the impasse procedure, to advise the parties on the views of the Governor on matters which would require an appropriation or legislative action, and the Speaker of the Assembly and the Senate Rules Committee may each appoint one representative to attend the meeting and conferring to advise the parties on the views of the Legislature on matters which would require an appropriation or legislative action.

No written memoranda reached pursuant to this chapter which require budgetary or curative action by the Legislature or other funding agencies shall be effective unless and until such an action has been taken. Following execution of written memoranda of understanding, an appropriate request for financing or budgetary funding for all state-funded employees or for necessary legislation shall be forwarded promptly to the Legislature and the Governor or other funding agencies. When memoranda require legislative action pursuant to this section, if the Legislature or the Governor fail to fully fund the memoranda or to take the requisite curative action, the entire memoranda shall be referred back to the parties for further meeting and conferring. However, the parties may agree that

provisions of the memoranda which are nonbudgetary and do not require funding shall take effect whether or not the funding requests submitted to the Legislature are approved.

SEC. 27. Section 3586 of the Government Code is amended to read:

3586. The Trustees of the California State University shall continue all payroll assignments authorized by an employee prior to and until recognition or certification of an exclusive representative until notification is submitted by an employee to discontinue the employee's assignments.

SEC. 28. Section 8188 of the Government Code is amended to read:

8188. The judgment shall determine the validity or invalidity respectively of the matters specified in Section 8187. The judgment shall be subject to being reopened under Section 473 or 473.5 of the Code of Civil Procedure, or otherwise only within 90 days after the entry of the judgment, and the petitioner and any person who has appeared in the special proceeding may move for a new trial under proper circumstances and upon appropriate grounds and may appeal from the judgment.

SEC. 29. Section 8208 of the Government Code is amended to read:

8208. The protest of a notary public, under his or her hand and official seal, of a bill of exchange or promissory note for nonacceptance or nonpayment, specifying any of the following is prima facie evidence of the facts recited therein:

- (a) The time and place of presentment.
- (b) The fact that presentment was made and the manner thereof.
- (c) The cause or reason for protesting the bill.
- (d) The demand made and the answer given, if any, or the fact that the drawee or acceptor could not be found.

SEC. 30. Section 8214.3 of the Government Code is amended to read:

8214.3. Prior to a revocation or suspension pursuant to this chapter or after a denial of a commission, the person affected shall have a right to a hearing on the matter and the proceeding shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3, except that a person shall not have a right to a hearing after a denial of an application for a notary public commission in either of the following cases:

(a) The Secretary of State has, within one year previous to the application, and after proceedings conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3, denied or revoked the applicant's application or commission.

(b) The Secretary of State has entered an order pursuant to Section 8214.4 finding that the applicant has committed or omitted acts constituting grounds for suspension or revocation of a notary public's commission.

SEC. 31. Section 8214.4 of the Government Code is amended to

read:

8214.4. Notwithstanding this chapter or Chapter 5 (commencing with Section 11500) of Part 1 of Division 3, if the Secretary of State determines, after proceedings conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3, that any notary public has committed or omitted acts constituting grounds for suspension or revocation of a notary public's commission, the resignation or expiration of the notary public's commission shall not bar the Secretary of State from instituting or continuing an investigation or instituting disciplinary proceedings. Upon completion of the disciplinary proceedings, the Secretary of State shall enter an order finding the facts and stating the conclusion that the facts would or would not have constituted grounds for suspension or revocation of the commission if the commission had still been in effect.

SEC. 32. Section 8567 of the Government Code is amended to read:

8567. (a) The Governor may make, amend, and rescind orders and regulations necessary to carry out the provisions of this chapter. The orders and regulations shall have the force and effect of law. Due consideration shall be given to the plans of the federal government in preparing the orders and regulations. The Governor shall cause widespread publicity and notice to be given to all such orders and regulations, or amendments or rescissions thereof.

(b) Orders and regulations, or amendments or rescissions thereof, issued during a state of war emergency or state of emergency shall be in writing and shall take effect immediately upon their issuance. Whenever the state of war emergency or state of emergency has been terminated, the orders and regulations shall be of no further force or effect.

(c) All orders and regulations relating to the use of funds pursuant to Article 16 (commencing with Section 8645) shall be prepared in advance of any commitment or expenditure of the funds. Other orders and regulations needed to carry out the provisions of this chapter shall, whenever practicable, be prepared in advance of a state of war emergency or state of emergency.

(d) All orders and regulations made in advance of a state of war emergency or state of emergency shall be in writing, shall be exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2, but shall be subject to the approval of the Emergency Council. As soon thereafter as possible they shall be filed in the office of the Secretary of State and with the county clerk of each county.

SEC. 33. Section 8818 of the Government Code is amended to read:

8818. The meetings of the commission shall be open and public in accordance with Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3.

SEC. 34. Section 9125 of the Government Code is amended to

read:

9125. (a) The Department of General Services shall cause the permanent relocating of the Treasurer's office in State Office Building No. 1 in Sacramento, and any necessary reconstruction and remodeling in connection therewith.

(b) Notwithstanding any other provisions of law, all work performed pursuant to this section shall be exempt from the State Contract Act (Chapter 1 (commencing with Section 10100) of Division 2 of the Public Contract Code) and from the Environmental Quality Act of 1970 (Division 13 (commencing with Section 21000), Public Resources Code).

SEC. 35. Section 11018 of the Government Code is amended to read:

11018. Every state agency which is authorized by any law to conduct administrative hearings but is not subject to Chapter 5 (commencing with Section 11500) shall nonetheless comply with subdivision (d) of Section 11513 relative to the furnishing of language assistance at any such hearing.

SEC. 36. Section 11019 of the Government Code is amended to read:

11019. (a) Any department specified in subdivision (b) may, upon determining that an advance payment is essential for the effective implementation of a program within the provisions of this section, and to the extent funds are available, and not more frequently than once each fiscal year, advance to a community-based private nonprofit agency with which it has contracted, pursuant to federal law and related state law, for the delivery of services, not to exceed 25 percent of the annual allocation to be made pursuant to the contract and such laws, during the fiscal year to the private nonprofit agency. Advances in excess of 25 percent may be made on contracts financed by a federal program when those advances are not prohibited by federal guidelines. Advance payments may be provided for services to be performed under any contract with a total annual contract amount of two hundred thousand dollars (\$200,000) or less, or which the Department of Finance determines has been entered into with any community-based private nonprofit agency with modest reserves and potential cash flow problems. No advance payment shall be granted if the total annual contract exceeds two hundred thousand dollars (\$200,000), without the prior approval of the Department of Finance.

The specific departments mentioned in subdivision (b) shall develop a plan to establish control procedures for advance payments. Each such plan shall include a procedure whereby the department determines whether or not an advance payment is essential for the effective implementation of a particular program being funded. Each such plan is required to be approved by the Department of Finance.

(b) Subdivision (a) shall apply to the Department of Aging, the State Department of Alcohol and Drug Programs, the Department

of Corrections, the Employment Development Department, the State Department of Health Services, the State Department of Mental Health, the Department of Rehabilitation, the State Department of Social Services, the Department of the Youth Authority, and the Department of Education.

Subdivision (a) shall also apply to the Health and Welfare Agency which may make advance payments, pursuant to the requirements of that subdivision, to multipurpose senior services projects as established in Sections 9400 to 9413, inclusive, of the Welfare and Institutions Code.

(c) A county may, upon determining that an advance payment is essential for the effective implementation of a program within the provisions of this section, and to the extent funds are available, and not more frequently than once each fiscal year, advance to a community-based private nonprofit agency with which it has contracted, pursuant to federal law and related state law, for the delivery of services, not to exceed 25 percent of the annual allocation to be made pursuant to the contract and such laws, during the fiscal year to the private nonprofit agency.

SEC. 37. Section 11349.4 of the Government Code is amended to read:

11349.4. A regulation returned to an agency because of failure to meet the standards of Section 11349.1, or because of an agency's failure to comply with this chapter, may be rewritten and resubmitted without complying with the notice and public hearing requirements of Sections 11346.4, 11346.5, and 11346.8 unless the substantive provisions of the regulation have been significantly changed. If the regulation has been significantly changed, the agency shall comply with Article 5 (commencing with Section 11346) prior to readopting the regulation.

The office shall expedite the review of a regulation submitted without significant substantive change.

SEC. 38. Section 11550 of the Government Code is amended to read:

11550. An annual salary of thirty-five thousand dollars (\$35,000) shall be paid to each of the following:

- (a) Director of Finance.
- (b) Secretary of Business, Transportation and Housing Agency.
- (c) Secretary of Resources Agency.
- (d) Secretary of Health and Welfare Agency.
- (e) Secretary of State and Consumer Services Agency.
- (f) Director of Industrial Relations.
- (g) Commissioner, California Highway Patrol.
- (h) Secretary of Youth and Adult Correctional Agency.
- (i) Director of Food and Agriculture.

SEC. 39. Section 14404 of the Government Code is amended to read:

14404. A filing of the claim pursuant to Part 3 (commencing with Section 900) of Division 3.6 of Title 1 is not required as a prerequisite

to the commencement of arbitration pursuant to Article 8.1 (commencing with Section 14410). The department shall have full authority to compromise or otherwise settle any claims arising from the contract at any time.

SEC. 40. Section 14838 of the Government Code is amended to read:

14838. In order to facilitate the participation of small business in state procurement and in construction contracts under the Office of the State Architect or other state agencies which contract for the construction (including alteration, demolition, repair or improvement) of state facilities, the directors of General Services and of such other agencies, each within their respective areas of responsibility, shall do all of the following:

(a) Establish goals for the extent of participation of small businesses in state procurement and in construction contracts.

(b) Provide for small business preference where responsibility and quality are equal. The preference to small business shall be 5 percent for the lowest responsible bidder meeting specifications. However, the small business preference shall not exceed fifty thousand dollars (\$50,000) for any bid.

(c) Give special consideration to small businesses by doing all of the following:

(1) Reducing the experience required.

(2) Reducing the level of inventory normally required.

(d) Give special assistance to small businesses in their preparation and submission of the information requested in Section 14310.

(e) Under the authorization granted in Section 14311, make awards, whenever feasible, to small business bidders for each project bid upon within their prequalification rating. This may be accomplished by dividing major projects into subprojects so as to allow a small business contractor to qualify to bid on the subprojects.

SEC. 41. Section 14841 of the Government Code is repealed.

SEC. 42. Section 14903 of the Government Code is amended to read:

14903. As soon as practicable after deposit of the copies in the library stockroom, the State Printer shall forward of each publication other than the legislative bills, daily journals and daily or weekly histories, 50 copies to the State Library at Sacramento, 25 copies each to the University of California libraries at Berkeley and Los Angeles, and 50 copies to the California State University, to be allocated among the libraries thereof as directed by the Trustees of the California State University. Those copies in excess of the number required for the institutions themselves may be used for exchanges with other institutions or with agencies of other states and countries.

SEC. 43. Section 14955 of the Government Code is amended to read:

14955. Where work to be performed, excluding regular maintenance work, which would otherwise be subject to the State Contract Act (Chapter 1 (commencing with Section 10100)) of



Division 2 of the Public Contract Code), does not lend itself to the preparation of plans and specifications to enable bids to be taken on a lump-sum or unit basis, and the director so finds, the department may perform the work by the use of rented tools or equipment, either with operators furnished or unoperated. Contracts for the work may include provision for equipment rental and in addition the furnishing of labor and materials necessary to accomplish the work. The contracts shall not be subject to the State Contract Act, but shall be subject to all of the provisions of Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

Whenever the total consideration of such a contract exceeds two thousand five hundred dollars (\$2,500), it shall be awarded to the lowest responsible bidder, after competitive bidding on such reasonable notice as the department may prescribe, except in cases of emergency rental of tools or equipment as hereinafter provided. Posting of notice for five days in a public place in the Sacramento and Los Angeles offices of the Office of Architecture and Construction of the department is sufficient. Those contracts involving a consideration in excess of two thousand five hundred dollars (\$2,500) shall be accompanied by labor and material bonds. The department may require faithful performance bonds when considered necessary. The notice for each contract shall state whether or not a bond shall be required. Where a faithful performance bond is required, labor and material bonds shall be required.

In cases of emergency work necessitated by the imminence or occurrence of a landslide, flood, storm damage, accident, or other casualty, tools or equipment may be rented for a period of not to exceed 10 days without competitive bidding.

SEC. 44. Section 14962 of the Government Code is repealed.

SEC. 45. The heading of Chapter 5 (commencing with Section 16170) of Division 4 of Title 2 of the Government Code, as added by Chapter 1406 of the Statutes of 1972, is repealed. The repeal of this heading made by this section shall not affect the existence or validity of Chapter 5 (commencing with Section 16180) of Part 1 of Division 4 of Title 2 of the Government Code, as added by Chapter 454 of the Statutes of 1982.

SEC. 46. Section 16366.2 of the Government Code is amended to read:

16366.2. As used in this article:

(a) "Service provider" means any public or private nonprofit agency which provides service directly to categorical populations.

(b) "Consolidated program" means any program which the state has the option to fund with the block grant.

(c) "Categorical populations" means those recipients of services provided pursuant to a program listed in Section 16366.4.

(d) "Block grant funds" shall have the same meaning as defined in federal law in existence on January 1, 1982.

SEC. 47. The heading of Article 1.8 (commencing with Section 16369) of Chapter 2 of Part 2 of Division 4 of Title 2 of the

Government Code, as added by Chapter 1453 of the Statutes of 1982, is amended and renumbered to read:

Article 1.9. Office of Long-Term Care

SEC. 48. Section 16503 of the Government Code is amended to read:

16503. Subject to the limitations of Article 4.5 (commencing with Section 16480) of Chapter 3, the Treasurer shall determine what amounts of money shall be deposited:

- (a) As time deposits, and the rates of interest to be received.
- (b) As demand deposits, and the rates of interest to be received, if any.

SEC. 49. The heading of Chapter 6 (commencing with Section 18250) of Division 5 of Title 2 of the Government Code is repealed.

SEC. 50. Section 18801.1 of the Government Code, as added by Chapter 938 of the Statutes of 1982, is repealed.

SEC. 51. Section 18801.1 of the Government Code, as added by Chapter 985 of the Statutes of 1982, is repealed.

SEC. 52. Section 18801.1 of the Government Code, as added by Chapter 1135 of the Statutes of 1982, is repealed.

SEC. 53. Section 19131 of the Government Code is amended to read:

19131. Any state agency proposing to execute a contract pursuant to subdivision (a) of Section 19130 shall notify the State Personnel Board of its intention. All organizations that represent state employees who perform the type of work to be contracted, and any person or organization which has filed with the board a request for notice, shall be contacted immediately by the State Personnel Board upon receipt of this notice so that they may be given a reasonable opportunity to comment on the proposed contract. Departments or agencies submitting proposed contracts shall retain and provide all data and other information relevant to the contracts and necessary for a specific application of the standards set forth in subdivision (a) of Section 19130. Any employee organization may request, within 10 days of notification, the State Personnel Board to review any contract proposed or executed pursuant to subdivision (a) of Section 19130. The review shall be conducted in accordance with subdivision (b) of Section 14831.6. Upon such a request, the State Personnel Board shall review the contract for compliance with the standards specified in subdivision (a) of Section 19130.

SEC. 54. Section 19132 of the Government Code is amended to read:

19132. The State Personnel Board, at the request of an employee organization that represents state employees, shall review the adequacy of any proposed or executed contract which is of a type enumerated in subdivision (b) of Section 19130. The review shall be conducted in accordance with subdivision (c) of Section 14831.6. However, a contract that was reviewed at the request of an

employee organization when it was proposed need not be reviewed again after its execution.

SEC. 55. The heading of Article 3 (commencing with Section 19570) of Chapter 8 of Division 5 of Title 2 of the Government Code is amended and renumbered to read:

#### Article 1. Disciplinary Proceedings

SEC. 56. Section 20570 of the Government Code is amended to read:

20570. Notwithstanding any other provision of this article, the board may enter into an agreement with the governing body of a contracting agency, other than a housing authority, and the governing body of a city with a population in excess of 2,000,000 and maintaining its own retirement system for termination of the contracting agency's participation in this system and inclusion of the employees in the city retirement system. The agreement shall contain such provisions as the board finds necessary to protect the interests of the system for determination of the amount, time, manner of transfer of cash or the securities, or both, to be transferred to the city system as representing the value of the interests in the retirement fund of the contracting agency and its employees by reason of contributions and interest credited to the agency and its employees. All liability of this system with respect to members and retired persons under the contract shall cease and shall become the liability of the city system as of the date of termination specified in the agreement. Liability of the city system shall be for payment of benefits to persons retired on the termination date and their beneficiaries and of beneficiaries of deceased members in at least the amount provided under the agency's contract as it was on that date. The termination shall not affect the contribution rate of any member in any other employment under the system on the date of termination or any retirement allowance or other benefit based on service. Any member who becomes a member of a city system upon the contract termination shall be subject to those provisions of this part extending rights to a member or subjecting the member to limitations because of membership in another retirement system to the same extent that the member would have been had he or she been a member of the city system during his or her membership in this system under the terminated contract.

SEC. 57. Section 20750.8 of the Government Code is amended to read:

20750.8. Each contracting agency and school employer which is an employer for purposes of this chapter shall make contributions in addition to those otherwise specified in this chapter in amounts to be fixed and determined by the board on account of unpaid liability for prior service and on account of liability for benefits under Sections 21263 to 21263.3, inclusive, and 21382 and benefits provided local safety members. Payments shall be under such arrangement as may

be agreed to by the board.

SEC. 58. Section 20750.85 of the Government Code is amended to read:

20750.85. Each employer included in a contract under Chapter 4.5 (commencing with Section 20580) shall make contributions on account of liability for prior service and benefits under Section 21382 in addition to those otherwise specified in this chapter in a sum equal to 0.11 percent of compensation paid miscellaneous members.

SEC. 59. Section 20750.86 of the Government Code is amended to read:

20750.86. Each employer included in a contract under Chapter 4.5 (commencing with Section 20580) and each school district which is a contracting agency shall make contribution on account of liability for benefits under Section 20862.5 in addition to those otherwise specified in this chapter in a sum equal to 0.072 percent of compensation paid the members by the employer.

SEC. 60. Section 22009 of the Government Code is amended to read:

22009. "Public agency" means the state, any city, county, city and county, district, municipal or public corporation or any instrumentality thereof, or boards and committees established under Chapter 1 (commencing with Section 58601) or 2 (commencing with Section 59501) of Part 1 of Division 21 of the Food and Agricultural Code, Chapter 754 of the Statutes of 1933, as amended, or Chapter 307 of the Statutes of 1935, as amended, the employees of which constitute one or more coverage groups or retirement system coverage groups.

SEC. 61. Section 51110.2 of the Government Code is amended to read:

51110.2. The county or city planning commission shall hold a public hearing on parcels referred to it for review by the board or council pursuant to subdivision (d) of Section 51110 and subdivision (c) of Section 51110.1 according to Section 65854, and shall render its decision in the form of a written recommendation to the board or council according to Section 65855. The planning commission shall include in its recommendation to the board or council considerations as to the exact zoning boundaries to be drawn within each assessors parcel contained in list A or list B.

SEC. 63. Section 4000 of the Harbors and Navigation Code is amended to read:

4000. The board of supervisors of any county may, upon approval of the Public Utilities Commission, grant authority to any person to construct a wharf, chute, or pier, on any lands bordering on any navigable bay, lake, inlet, creek, slough, or arm of the sea, situated in or bounding the county, with a license to take tolls for its use for the term of 20 years.

SEC. 64. Section 6201 of the Harbors and Navigation Code is amended to read:

6201. "Board," as used in this part, means the board of port

commissioners described in Chapter 2 (commencing with Section 6240).

SEC. 65. Section 18029.5 of the Health and Safety Code is amended to read:

18029.5. (a) The department may promulgate rules and regulations, which it determines are reasonably consistent with generally recognized fire protection standards, governing conditions relating to the prevention of fire or for the protection of life and property against fire in manufactured homes, mobilehomes, recreational vehicles, and commercial coaches. All mobilehomes manufactured on or after June 15, 1976, shall comply with the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

(b) The chief fire official of every city, county, city and county, fire protection district, or other local fire protection agency shall file a report of each manufactured home and mobilehome fire occurring within his or her jurisdiction with the State Fire Marshal. The report shall be made on forms provided by the State Fire Marshal.

The State Fire Marshal shall annually compile a statistical report of all manufactured home and mobilehome fires occurring within this state and shall furnish the department with a copy of the report. The annual report shall include, but need not be limited to, the number of manufactured home and mobilehome fires, the causes of the fires, the monetary loss, and any casualties or fatalities resulting from the fires.

SEC. 66. Section 18030 of the Health and Safety Code is amended to read:

18030. If the department determines that standards for commercial coaches and recreational vehicles, which have been prescribed by the statutes or regulations of another state, are at least equal to the standards prescribed by the department, the department may so provide by regulation. Thereafter, any commercial coaches or recreational vehicles which that other state has approved as meeting its standards shall be deemed to meet the standards of the department, if the department determines that the standards of the other state are actually being enforced.

SEC. 67. Section 18031 of the Health and Safety Code is amended to read:

18031. The department, by rules and regulations, may establish a schedule of fees to pay the costs of work related to administration and enforcement of this part. The fees collected shall be deposited in the Mobilehome-Manufactured Home Revolving Fund.

SEC. 68. Section 18550.5 of the Health and Safety Code, as added by Chapter 194 of the Statutes of 1979, is repealed. The repeal made by this section shall not affect the existence or validity of Section 18550.5 of the Health and Safety Code, as added by Chapter 1160 of the Statutes of 1979.

SEC. 69. Section 18942 of the Health and Safety Code is amended to read:

18942. (a) The commission shall publish, or cause to be published, bound editions of the code in its entirety once in every three years, commencing January 1, 1980. In each intervening year the commission shall publish, or cause to be published, annual bound supplements. In addition, the commission shall publish, for emergency standards defined in subdivision (a) of Section 18913, an emergency standards supplement whenever the commission determines it is necessary. The commission shall also publish, for emergency standards defined in subdivision (b) of Section 18913 and for building standards approved pursuant to subdivision (b) of Section 142.3 of the Labor Code, a semiannual supplement, or a more frequent supplement if required by federal law.

(b) All building standards approved shall be incorporated into the next applicable triennial edition or supplement thereto, and no building standards, except emergency standards and those approved pursuant to subdivision (b) of Section 142.3 of the Labor Code and published pursuant to subdivision (c) of Section 18943, shall become effective until its required approval by the commission and its publication in the triennial edition or annual supplement.

(c) Except emergency standards and building standards approved pursuant to subdivision (b) of Section 142.3 of the Labor Code, no building standards or regulations shall be published in the triennial edition of the code or annual supplement less than 90 days after approval by the commission.

(d) Emergency standards defined in subdivision (a) of Section 18913 shall become effective when approved by the commission, transmitted to the Office of Administrative Law, and filed with the Secretary of State, or upon any later date specified therein, and remain in effect as provided by Section 11346.1 of the Government Code and Section 18937 of this code. Emergency standards shall be distributed as soon as practicable after publication to all interested and affected parties. Notice of repeal pursuant to Section 11346.1 of the Government Code of emergency standards defined in subdivision (a) of Section 18913 within the period specified by that section shall also be given to the parties by the affected agencies promptly after the termination of the statutory period pursuant to Section 11346.1 of the Government Code.

(e) The commission may publish, stockpile, and sell at a reasonable price the code and any materials incorporated therein by reference if it deems the latter is insufficiently available to the public, or unavailable at a reasonable price. Each state department concerned and each city and county shall have an up-to-date copy of the code available for public inspection.

SEC. 70. Section 19026 of the Health and Safety Code is amended and renumbered to read:

15095. Any person who violates any provision of this chapter is guilty of a misdemeanor.

SEC. 71. Section 19820 of the Health and Safety Code is amended to read:

19820. (a) No person shall sell, or offer for sale, new children's sleepwear to and including size 14 which does not meet federal flammability standards for children's sleepwear to and including size 6X, and such other standards as may from time to time be adopted by the federal government. The requirements prescribed by this chapter shall be in addition to those prescribed by Chapter 8 (commencing with Section 19810).

(b) Violation of subdivision (a) is a misdemeanor.

(c) The State Fire Marshal shall promulgate, in accordance with the provisions of the Administrative Procedure Act (commencing with Section 11340 of the Government Code), flammability regulations covering such other articles of new children's clothing to and including size 14 as it shall determine to be in the public interest.

(d) Violation of any rule or regulation promulgated pursuant to subdivision (c) is a misdemeanor.

SEC. 72. Section 25356 of the Health and Safety Code, as added by Chapter 327 of the Statutes of 1982, is repealed. The repeal made by this section shall not affect the existence or validity of Section 25356 of the Health and Safety Code, as added by Chapter 496 of the Statutes of 1982.

SEC. 73. Section 25651 of the Health and Safety Code is amended to read:

25651. (a) The department, with the assistance of the Office of Emergency Services, the State Energy Resources Conservation and Development Commission, and the Department of the California Highway Patrol shall, with respect to any fissile radioactive material coming within the definition of "fissile class II," "fissile class III," "large quantity radioactive materials," or "low-level radioactive waste" provided by the regulations of the United States Department of Transportation (49 C.F.R. 173.389), do all of the following:

(1) Study the adequacy of current packaging requirements for radioactive materials.

(2) Study the effectiveness of special routing and timing of radioactive materials shipments for the protection of the public health.

(3) Study the advantages of establishing a tracking system for shipments of most hazardous radioactive materials.

(b) A report on these studies, together with recommendations for any necessary changes in transportation regulations, shall be submitted by the department to the Legislature on or before July 1, 1982.

(c) The department, with the assistance of the Office of Emergency Services, the State Energy Resources Conservation and Development Commission, and the Department of the California Highway Patrol, shall extend the nuclear threat emergency response plan to include radioactive materials in transit and provide training for law enforcement officers in dealing with those threats.

(d) Subject to Section 25611, the department, in cooperation with the Department of the California Highway Patrol, shall adopt, in

accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, reasonable regulations which, in the judgment of the department, promote the safe transportation of radioactive materials. The regulations shall (1) prescribe the use of signs designating radioactive material cargo; shall designate, in accordance with the results of the studies done pursuant to subdivision (a), the manner in which the shipper shall give notice of such shipment to appropriate authorities; (2) prescribe the packing, marking, loading, and handling of radioactive materials, and the precautions necessary to determine whether the material when offered is in proper condition to transport, but shall not include the equipment and operation of the carrier vehicle; and (3) be reviewed and amended, as required, pursuant to Section 25611. The regulations shall be compatible with those established by the federal agency or agencies required or permitted by federal law to establish the regulations.

(e) Subject to Section 25611, the Department of the California Highway Patrol, after consulting with the department, shall adopt regulations specifying the time at which shipments may occur and the routes which are to be used in the transportation of cargoes of hazardous radioactive materials, as those materials are defined in regulations of the department.

SEC. 74. Section 25803 of the Health and Safety Code is amended to read:

25803. Rules and regulations adopted under this chapter shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and Sections 25733 and 25734 of this code.

SEC. 75. Section 28744 of the Health and Safety Code is amended to read:

28744. The term "hazardous substance" shall not apply to any of the following:

(a) Foods, drugs, or cosmetics subject to the Federal Food, Drug, and Cosmetic Act (52 Stat. 1040) or Division 21 (commencing with Section 26000) of this code.

(b) Substances intended for use as fuels when stored in containers and used in the heating, cooking, or refrigeration system of a house.

(c) Source material, special nuclear material, or byproduct material, as defined in the Atomic Energy Act of 1954 (68 Stat. 919), as amended, and regulations issued pursuant thereto by the Atomic Energy Commission.

(d) Fertilizing materials regulated by Chapter 5 (commencing with Section 14501) of Division 7 of the Food and Agricultural Code.

(e) Livestock remedies regulated by Chapter 4 (commencing with Section 14200) of Division 7 of the Food and Agricultural Code.

(f) Economic poisons regulated by Chapter 2 (commencing with Section 12751) of Division 7 of the Food and Agricultural Code, except as provided in Section 28744.1.

(g) Economic poisons subject to the Federal Insecticide,



Fungicide, and Rodenticide Act (61 Stat. 163), except as provided in Section 28744.1.

(h) Injurious substances as defined and regulated by Article 112 (commencing with Section 5225) of Group 16 of Subchapter 7 of Chapter 4 of Title 8 of the California Administrative Code.

SEC. 76. Section 30001 of the Health and Safety Code is amended to read:

30001. Unless the provisions or the context otherwise requires, these definitions, rules of construction, and general provisions shall govern the construction of this chapter. As used in this chapter:

(a) "Department" means the State Department of Health Services.

(b) "Household substance" means any substance which is customarily produced or distributed for sale for consumption or use, or customarily stored by individuals in or about the household and is one of the following:

(1) A hazardous substance as that term is defined in Section 28743.

(2) A food, drug, or cosmetic, as those terms are defined in Sections 26012, 26010, and 26005, which (i) is toxic, (ii) is corrosive, (iii) is an irritant, (iv) is a strong sensitizer, (v) is flammable or combustible, or (vi) generates pressure through decomposition, heat, or other means; if it may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children.

(3) A substance intended for use as fuel when stored in a portable container and used in the heating, cooking, or refrigeration system of a residential dwelling.

(c) "Package" means the immediate container or wrapping in which any household substance is contained for consumption, use, or storage by individuals in or about the household, and, for purposes of household substances, also means any outer container or wrapping used in the retail display of any such substance to consumers.

"Package" does not include the following:

(1) Any shipping container or wrapping used solely for the transportation of any household substance in bulk or in quantity to manufacturers, packers, or processors, or to wholesale or retail distributors thereof.

(2) Any shipping container or outer wrapping used by retailers to ship or deliver any household substance to consumers unless it is the only container or wrapping.

(d) "Special packaging" means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance contained therein within a reasonable time and not difficult for normal adults to use properly, but does not mean packaging which all such children cannot open or obtain a toxic or harmful amount of within a reasonable time.

(e) "Labeling" means all labels and other written, printed, or

graphic matter upon any household substance or its package, or accompanying the substance.

(f) "Federal act" means the "Poison Prevention Packaging Act of 1970" (15 U.S.C. § 1471 et seq.).

SEC. 77. Section 30002 of the Health and Safety Code is amended to read:

30002. The department shall, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, adopt regulations establishing standards for the special packaging of any household substance in accordance with the provisions of this chapter if the regulations do not differ in substance or proscribe or require conduct which differs from the provisions of the federal act or regulations issued pursuant to the federal act and if the department finds as follows:

(a) The degree or nature of the hazard to children in the availability of the substance, by reason of its packaging, is such that special packaging is required to protect children from serious personal injury or serious illness resulting from handling, using, or ingesting the substance.

(b) The special packaging to be required by the standard is technically feasible, practicable, and appropriate for the substance.

SEC. 78. Section 32130.7 of the Health and Safety Code is repealed. The repeal of this section shall not affect the validity of any loan, indebtedness, or obligation incurred, or any agreement entered into pursuant to Section 32130.7 of the Health and Safety Code, prior to October 1, 1961.

SEC. 79. Section 39601 of the Health and Safety Code is amended to read:

39601. (a) The state board shall adopt standards, rules, and regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, necessary for the proper execution of the powers and duties granted to, and imposed upon, the state board by this division and by any other provision of law.

(b) The state board, by rules and regulations, may revise the definitions of terms set forth in Chapter 2 (commencing with Section 39010) of Part 1 in order to conform those definitions to federal laws and rules and regulations.

(c) The standards, rules, and regulations adopted pursuant to this section shall, to the extent consistent with the responsibilities imposed under this division, be consistent with the state goal of providing a decent home and suitable living environment for every Californian.

SEC. 80. Section 50701 of the Health and Safety Code is amended to read:

50701. There is hereby created in the State Treasury the Land Purchase Fund. All money in the Land Purchase Fund is continuously appropriated to the department for the purpose of making loans to eligible sponsors of assisted housing for land

purchase costs incurred by them in connection with the provision of housing for low-income persons in rural areas.

All interest, dividends, and pecuniary gains from investments or deposits of moneys in the loan fund shall accrue to the fund notwithstanding Section 16305.7 of the Government Code.

There shall be paid into the fund all of the following:

(a) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(b) Any moneys which the department receives in repayment or return of loans made from the fund, including any interest thereon.

(c) Any other moneys which may be made available to the department for the purposes of this chapter from any other source or sources.

SEC. 81. Section 51005 of the Health and Safety Code is amended to read:

51005. The agency shall, within 90 days following the close of each fiscal year, submit an annual report of its activities under this division for the preceding year to the Governor, the Secretary of the Business, Transportation and Housing Agency, the Director of Housing and Community Development, the Treasurer, and the Legislature. Within 90 days following the close of each fiscal year, the agency shall also submit an annual report to the Joint Legislative Budget Committee. Each report shall set forth a complete operating and financial statement of the agency during the concluded fiscal year. The report shall specify the number of units assisted, the distribution of units among the metropolitan, nonmetropolitan, and rural areas of the state, and shall contain a summary of statistical data relative to the incomes of households occupying assisted units, the monthly rentals charged to occupants of rental housing developments, and the sales prices of housing developments purchased during the previous fiscal year by housing sponsors who are persons or families of low or moderate income. The report shall also include a statement of accomplishment during the previous year with respect to the agency's progress, priorities, and affirmative action efforts. The agency shall specifically include in its report on affirmative action goals, statistical data on the numbers and percentages of minority sponsors, developers, contractors, subcontractors, suppliers, architects, engineers, attorneys, mortgage bankers or other lenders, insurance agents and managing agents. The agency shall cause an audit of its books and accounts with respect to its activities under this division to be made at least once during each fiscal year by an independent certified public accountant and the agency shall be subject to audit by the Department of Finance not more often than once each fiscal year.

Commencing with fiscal year 1981-82, the agency shall include in its annual report information with respect to the number of manufactured housing units assisted by the agency.

Within 90 days following receipt of the agency's annual report, the Joint Legislative Budget Committee shall submit a report on the

agency's activities under this division to the Legislature.

SEC. 82. Section 51050 of the Health and Safety Code is amended to read:

51050. The agency shall have all of the following powers:

- (a) To sue and be sued in its own name.
- (b) To have an official seal and to alter the same at pleasure.
- (c) To have perpetual succession.
- (d) To maintain offices at such place or places within the state as it may designate.

(e) To adopt, and from time to time amend and repeal, by action of the board, rules and regulations, not inconsistent with this part, to carry into effect the powers and purposes of the agency and the conduct of its business. Rules and regulations of the agency shall be adopted, amended, repealed, and published in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. With respect to regulations in areas specified in Section 50462, the agency may propose regulations, but those regulations shall become effective only upon concurrence of the Secretary of the Business, Transportation and Housing Agency, or the secretary's designated representative, or the Director of Housing and Community Development.

(f) Notwithstanding any other provision of law, to make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part with any governmental agency, private corporation or other entity, or individual, and to contract with any local public entity for processing of any aspect of financing housing developments. Contracts made or executed under the authority of this part shall not be subject to any provision of law requiring competitive bidding, but the agency shall take into consideration any applicable state policies respecting competitive bidding prior to letting a contract on a negotiated bid.

In exercising the powers set forth in this subdivision, the agency shall be subject to any applicable provisions of law requiring the supervision or approval of another division or officer of state government, except with respect to the following, which shall be exempt from these requirements:

(1) Contracts and instruments made or executed in connection with the issuance or marketing of the agency's bonds, including procurement of financial consultants, underwriters, actuaries, bond counsel, and computer and printing services related to the issuance or marketing of the bonds.

(2) Contracts and instruments relating to protection of the security interests of holders of the agency's bonds or the management, acquisition, or disposition of any property, funds, assets, or loans that are either acquired with the proceeds of any bonds or pledged or held in trust for the benefit of holders of the agency's bonds.

(3) Contracts and instruments made or executed pursuant to Chapter 5 (commencing with Section 51100).

(g) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(h) To hold, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real or personal property or any interest therein; to hold, sell, assign, or otherwise dispose of any mortgage interest owned by it, under its control or custody, or in its possession; and, as applicable, to do any of the acts specified in this subdivision by public or private sale, with or without public bidding, notwithstanding any other provision of law.

(i) To release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired, including any equity or right of redemption in real property foreclosed by it.

(j) To determine the terms and conditions of any mortgage instrument, deed of trust, or promissory note used or executed in conjunction with the financing of any housing development.

(k) To employ architects, engineers, attorneys, accountants, housing construction and financial experts, and such other advisers, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(l) To provide advice, technical information, and consultative and technical service in connection with the financing of housing developments pursuant to this part.

(m) To procure insurance against any loss in connection with its property and other assets, including mortgages and mortgage loans, in such amounts and from such insurers as it deems desirable.

(n) To establish, revise from time to time, and charge and collect fees and charges in connection with loans made by the agency.

(o) To borrow money and issue bonds, as provided in this part.

(p) To enter such agreements and perform such acts as are necessary to obtain federal housing subsidies for use in connection with housing developments.

(q) To provide bilingual staff in connection with services of the department and make available agency publications in a language, other than English, where necessary to effectively serve all groups for which those services or publications are made available.

(r) To require any individual, corporation, or other legal entity operating, managing, or providing maintenance services for a housing development or a residential structure to maintain a current certificate of qualification developed and approved by the agency.

(s) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this part.

SEC. 83. Section 1190 of the Insurance Code is amended to read:

1190. Any domestic incorporated insurer, which maintains in cash on hand or on deposit in a national or state bank, or in securities specified in Article 3 (commencing with Section 1170), an amount equal to its required minimum paid-in capital, may invest the remainder of its assets in the purchase of, or loans upon the securities

set forth in this article. The investments are known as excess funds investments and are subject to the restrictions set forth in this article.

SEC. 84. Section 1210 of the Insurance Code is amended to read:

1210. (a) Any admitted insurer, after investing an amount equal to its required minimum paid-in capital in securities specified in Article 3 (commencing with Section 1170), may make such investments as it may see fit in the purchase of, or loans upon, properties and securities other than or in addition to or in excess of those set forth in Articles 2 (commencing with Section 1150), 3 (commencing with Section 1170) and 4 (commencing with Section 1190) of this chapter. Investments under this section shall not exceed, in the aggregate, the lesser of any of the following:

(1) Five percent of the insurer's admitted assets.

(2) Fifty percent of the excess of admitted assets over the sum of capital paid-up, liabilities and the surplus required by subdivision (a) of Section 700.02. The percentage or dollar value of admitted assets and capital paid-up and liabilities shall be determined by the insurer's last preceding annual statement of conditions and affairs made as of the preceding December 31st and which has been filed with the commissioner pursuant to law. The investments shall be subject to the provisions of Sections 1153.5, 1154, 1200, 1201, and 1202 as if they were excess funds investments. This section shall apply to an insurer other than life only if the insurer has aggregate capital and surplus of at least ten million dollars (\$10,000,000).

(b) An investment originally made by an insurer pursuant to this section which subsequently meets the requirements of an investment contained in Article 2 (commencing with Section 1150), 3 (commencing with Section 1170) or 4 (commencing with Section 1190) may, at the election of the insurer, be considered to be held pursuant to any provision contained in those articles.

SEC. 85. Section 1350 of the Insurance Code is amended to read:

1350. The commissioner shall issue a certificate of authority to the attorney upon compliance with the requirements of this chapter, and the payment of the application fee prescribed by Article 3 (commencing with Section 699) of Chapter 1 of Part 2 of Division 1. The certificate shall authorize the making, by the attorney, of contracts of insurance under this chapter. It shall also specify all of the following:

(a) The classes of insurance to be effected.

(b) The name of the attorney.

(c) The location of the principal office.

(d) The name under which the contracts of insurance are issued.

SEC. 86. Section 10499 of the Insurance Code is amended to read:

10499. The commissioner may at any time notify any person possessing a certificate of exemption that the commissioner has grounds to believe that it is violating any of the applicable provisions of this code or is not operating in strict conformity with the documents filed with the commissioner as a basis of its application for the certificate of exemption. The notice shall fix the time and place

for hearing at which the person notified may appear and show cause why the commissioner should not revoke its certificate of exemption. The time fixed shall not be less than 15 nor more than 60 days after date of the notice.

At the time and place specified in the notice and order to show cause, the commissioner shall hold a hearing at which the possessor of a certificate of exemption may present evidence to show that it is not violating any applicable provision of this code, and that it is operating in conformity with the documents which were filed as a basis for the certificate of exemption. If after the hearing the commissioner finds the evidence shows that the operations of the person are in violation of any of the applicable provisions of this code, or are in violation of the documents upon which its application for certificate of exemption was based, the commissioner shall revoke the certificate of exemption and the person whose certificate of exemption is thus revoked shall cease the transaction of life and disability insurance until it procures a new certificate of exemption or a certificate of authority under other provisions of this code.

This article does not prevent the commissioner from acting and bringing proceedings under Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1, if grounds exist for the institution of such proceedings with respect to any person transacting life or disability insurance either with or without a certificate of exemption.

SEC. 87. Section 10500 of the Insurance Code is amended to read:

10500. Every person not expressly exempted by the provisions of this code that transacts life or disability insurance without a valid and unrevoked certificate of authority or without a valid and unrevoked certificate of exemption issued pursuant to this article is guilty of a misdemeanor. Every employee, officer, or agent of any person who knowingly assists any person in the transaction of insurance in violation of the provisions of this code, is guilty of a misdemeanor.

SEC. 88. Section 10507.2 of the Insurance Code is amended to read:

10507.2. An investment return assurance policy evidencing such insurance, shall not be issued or delivered in this state until a copy of the form thereof is filed with the commissioner, the fees required by Section 12973.9 are paid, and the commissioner has given written approval of the form.

SEC. 89. Section 11512.1 of the Insurance Code, as added by Chapter 1594 of the Statutes of 1982, is amended and renumbered to read:

11512.11. A plan shall provide group contractors with a current roster of institutional and professional providers under contract to provide services at alternative rates under their group contract, and shall also make such a roster available for public inspection, during regular business hours, at the plan's home office or principal place of business in this state.

SEC. 90. Section 11512.2 of the Insurance Code, as added by  
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Chapter 558 of the Statutes of 1981, is amended and renumbered to read:

11512.196. A hospital service plan contract which is written or issued for delivery outside California in a state the laws of which require recognition of psychologists licensed in such state for services performed within the scope of psychological practice shall not be deemed to prohibit the insured from selecting a psychologist licensed in California to perform services in California which are covered under the terms of the policy even though such psychologist is not licensed in the state in which the insurance is written or issued for delivery.

SEC. 91. Section 11512.21 of the Insurance Code is amended to read:

11512.21. Every group hospital service contract issued or issued for delivery or amended in this state after January 1, 1977, shall comply with the requirements of Article 1.5 (commencing with Section 10128) of Chapter 1.

SEC. 92. Section 11512.25 of the Insurance Code is amended to read:

11512.25. (a) Any hospital service contract issued to a corporation, copartnership, or individual employer eligible for group hospital service contracts pursuant to Section 11512.2 may also provide that "employees" shall include the officers, managers, and employees of subsidiary or affiliated corporations, and the individual proprietors, partners, and employees of affiliated individuals and firms, when the business of the subsidiary or affiliated corporations, firms, or individuals, is controlled by the holder of the hospital service contract through stock ownership, contract, or otherwise, or when the holder of the hospital service contract is controlled by affiliated corporations, firms, or individuals through stock ownership, contract, or otherwise.

(b) Nothing contained herein shall permit any person other than an officer, manager, or employee for compensation of the holder of the hospital service contract or of one or more of the individuals, firms, or corporations specified in subdivision (a) to be covered under a group hospital service contract.

SEC. 93. Section 11527 of the Insurance Code is amended to read:

11527. The commissioner shall examine the plan submitted under subdivision (c) of Section 11526. The commissioner shall not approve the plan unless in the commissioner's opinion the rights and interests of the insurer, its policyholders, and shareholders are protected and the commissioner is satisfied that the plan will be fair and equitable in its operation.

SEC. 94. Section 11528 of the Insurance Code is amended to read:

11528. The election prescribed by subdivision (d) of Section 11526, shall be called by the board of directors or the president and every policyholder of the class or classes for whose benefit the stock is to be acquired, whose insurance shall have been in force for at least one year prior to the election shall have one vote, regardless of the



number of policies or amount of insurance the policyholder holds, and regardless of whether the policies are policies of life insurance or policies of disability insurance. Notice of the election shall be given to policyholders entitled to vote by mail from the principal office of the insurer at least 30 days prior to the date set for the election, in a sealed envelope, postage prepaid, addressed to the policyholder at that person's last known address.

Voting shall be by one of the following methods:

(a) At a meeting of those policyholders, held pursuant to the notice, by ballot in person or by proxy.

(b) If not by the method described in subdivision (a), then by mail pursuant to a procedure and on forms to be prescribed by the plan.

The election shall be conducted under the direction and supervision of three impartial and disinterested inspectors appointed by the insurer and approved by the commissioner. In case any person appointed as inspector fails to appear at the meeting or fails or refuses to act at the election, the vacancy, if occurring in advance of the convening of the meeting or in advance of the opening of the mail vote, may be filled in the manner prescribed for the appointment of inspectors and, if occurring at the meeting or during the canvass of the mail vote, may be filled by the person acting as chairperson of the meeting or designated for that purpose in the plan. The decision, act, or certificate of a majority of the inspectors shall be effective in all respects as the decision, act, or certificate of all. The inspectors of election shall determine the number of policyholders, the voting power of each, the policyholders represented at the meeting or voting by mail, the existence of a quorum, and the authenticity, validity, and effect of proxies. They shall receive votes, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result, and do such other acts as are proper to conduct the vote with fairness to all policyholders. The inspectors of election shall, before commencing performance of their duties, subscribe to and file with the insurer and with the commissioner an oath that they, and each of them, will perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practicable. On the request of the insurer, the commissioner, a policyholder or his or her proxy, the inspectors shall make a report in writing of any challenge or question or matter determined by them and execute a certificate of any fact found by them. They shall also certify the result of the vote to the insurer and to the commissioner. Any report or certificate made by them shall be prima facie evidence of facts stated therein. All necessary expenses incurred in connection with the election shall be paid by the insurer. For the purpose of this section, a quorum shall consist of 5 percent of the policyholders of the insurer entitled to vote at the election.

SEC. 95. Section 11555.2 of the Insurance Code is amended to

read:

11555.2. Each insurer transacting insurance covering liability for malpractice of any person licensed under the Dental Practice Act (Chapter 4 (commencing with Section 1600) of Division 2 of the Business and Professions Code), or under the Medical Practice Act (Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code), shall report all of the following statistics to the commissioner, by profession and by medical specialty, on a date to be set by the commissioner, but not later than July 1st of each calendar year:

(a) The total number of doctors written during the immediately preceding calendar year.

(b) The total amount of premiums received from insureds, both written and earned (as reported in the annual statement), during the immediately preceding calendar year.

(c) The number of claims reported to the insurer for the first time separately by the year the claim occurred, and the number of claims reported closed during a previous calendar year which were reopened separately by the year claim occurred.

(d) The total number of claims outstanding, together with the monetary amount reserved for loss and allocated loss expense, in the annual statement as of December 31 of the calendar year next preceding, separately stated by the year the claim occurred.

(e) (1) The number of claims closed with payment to the claimant during the calendar year next preceding, to be reported by the year the claim occurred, (2) the total monetary amount paid thereon, reported by the year the claim occurred, and (3) the total allocated loss expense paid thereon, reported by the year the claim occurred.

(f) The monetary amount paid on claims during the calendar year next preceding, to be reported separately by the year the claim occurred, with allocated loss expense paid, to be reported separately by the year the claim occurred.

(g) The number of claims closed without payment to the claimant during the calendar year next preceding, by the year the claim occurred, and the allocated loss expense paid thereon, separately by the year the claim occurred.

(h) The monetary amount reserved in the annual statement for the calendar year next preceding on claims incurred but not reported to the insurer.

(i) The number of lawsuits filed against the insurer's insureds, and the number of doctors included therein, during the calendar year next preceding, to be separately reported by the year the claim occurred.

(j) A distribution by size of payment for those claims closed during the calendar year next preceding, showing the number of claims and total amount paid for each monetary category, as determined by the commissioner.

SEC. 96. Section 12762 of the Insurance Code is amended to read:

12762. (a) A home protection contract shall specify, in clear and conspicuous terms, the following information:

(1) Each of the appliances, systems and components covered by the contract.

(2) All exclusions and limitations respecting the extent of coverage.

(3) The period during which the contract will remain in effect, the protection contract fee and the renewal terms, if any.

(4) With respect to the performance of services by the home protection company, all of the following:

(A) The services to be performed by the company and the terms and conditions of such performance.

(B) The service fee or fees, if any, to be charged for such services.

(C) All limitations respecting the performance of services, including any restrictions as to the time period when or geographical area within which services may be requested or will be performed.

(D) A statement that services will be performed upon telephonic request therefor to the company, without any requirement that claim forms or applications be filed prior to the rendition of service.

(E) A representation that services will be initiated by or under the direction of the company within 48 hours after request is made for such services by any person entitled to make such request under the contract, or the agent of such person.

(b) The commissioner may adopt, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, such reasonable regulations as may be necessary to make more specific the provisions of this section. Those regulations may also establish such other contract form standards and requirements as the commissioner may deem necessary and appropriate in the public interest. However, this section does not authorize the commissioner to specify those appliances, systems, or components which must be covered by a home protection contract except to the extent necessary to guarantee the equity of the exclusions from coverage offered or provided under a contract, or to the extent necessary to avoid illusory coverage due to the nature or extent of exclusions from the contract.

SEC. 97. Section 51 of the Labor Code is amended to read:

51. The department shall be conducted under the control of an executive officer known as Director of Industrial Relations. The Director of Industrial Relations shall be appointed by the Governor with the advice and consent of the Senate and hold office at the pleasure of the Governor and shall receive an annual salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 98. Section 103 of the Labor Code is amended to read:

103. The Labor Commissioner shall, to the extent provided for by any reciprocal agreement entered into pursuant to Section 64, or by the laws of any other state, maintain actions in the courts of the other state for the collection of the claims for wages, judgments, and other

demands and may assign the claims, judgments, and demands to the labor department or agency of the other state for collection to the extent that they may be permitted or provided for by the laws of that state or by reciprocal agreement.

SEC. 99. Section 1144 of the Labor Code is amended to read:

1144. The board may from time to time make, amend, and rescind, in the manner prescribed in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, such rules and regulations as may be necessary to carry out this part.

SEC. 100. Section 1700.36 of the Labor Code is amended to read:

1700.36. No talent agency shall accept any application for employment made by or on behalf of any minor, as defined by subdivision (c) of Section 1286, or shall place or assist in placing any such minor in any employment whatever in violation of Part 4 (commencing with Section 1171).

SEC. 101. Section 1720.3 of the Labor Code is amended to read:

1720.3. For the limited purposes of Article 2 (commencing with Section 1770), "public works" also means the hauling of refuse from a public works site to an outside disposal location, with respect to contracts involving any state agency, including the California State University and the University of California.

SEC. 102. Section 4650.5 of the Labor Code is amended to read:

4650.5. Notwithstanding Section 4650, in the case of state civil service employees, employees of the Regents of the University of California, and employees of the Board of Trustees of the California State University, the disability payment shall be made from the first day the injured employee leaves work as a result of the injury, if the injury is the result of a criminal act of violence against the employee.

SEC. 103. Section 4700 of the Labor Code is amended to read:

4700. The death of an injured employee does not affect the liability of the employer under Articles 2 (commencing with Section 4600) and 3 (commencing with Section 4650). Neither temporary nor permanent disability payments shall be made for any period of time subsequent to the death of the employee. Any accrued and unpaid compensation shall be paid to the dependents, or, if there are no dependents, to the personal representative of the deceased employee or heirs or other persons entitled thereto, without administration.

SEC. 104. Section 4702 of the Labor Code is amended to read:

4702. Except as otherwise provided in this section and in Sections 4553, 4554, 4557, and 4558, the death benefit in cases of total dependency, when added to all accrued disability indemnity, shall be as follows:

(a) In the case of two or more total dependents and regardless of the number of partial dependents, eighty-five thousand dollars (\$85,000), if the injury resulting in death occurred on and after January 1, 1983, or ninety-five thousand dollars (\$95,000), if the injury occurred on and after January 1, 1984.

(b) In the case of one total dependent and one or more partial dependents, sixty thousand dollars (\$60,000), if the injury resulting in death occurred on and after January 1, 1983, or seventy thousand dollars (\$70,000), if the injury occurred on and after January 1, 1984, plus four times the amount annually devoted to the support of the partial dependents, but not more than a total of eighty-five thousand dollars (\$85,000), if the injury resulting in death occurred on and after January 1, 1983, or ninety-five thousand dollars (\$95,000), if the injury occurred on and after January 1, 1984.

(c) In the case of one total dependent and no partial dependents, sixty thousand dollars (\$60,000), if the injury resulting in death occurred on and after January 1, 1983, or seventy thousand dollars (\$70,000), if the injury occurred on and after January 1, 1984.

(d) In the case of no total dependents and one or more partial dependents, four times the amount annually devoted to the support of the partial dependents, but not more than a total of sixty thousand dollars (\$60,000), if the injury resulting in death occurred on and after January 1, 1983, or seventy thousand dollars (\$70,000) if the injury occurred on and after January 1, 1984.

The death benefit in all cases shall be paid in installments in the same manner and amounts as temporary disability indemnity, payments to be made at least twice each calendar month, unless the appeals board otherwise orders.

Disability indemnity shall not be deducted from the death benefit and shall be paid in addition to the death benefit when the original injury resulting in death occurs after September 30, 1949.

Every computation made pursuant to this section shall be made only with reference to death resulting from an original injury sustained on and after January 1, 1983. However, all rights presently existing under this section shall be continued in force.

SEC. 105. Section 4706.5 of the Labor Code is amended to read:

4706.5. (a) Whenever any fatal injury is suffered by an employee under such circumstances as to entitle the employee to compensation benefits, but for his or her death, and the employee does not leave surviving any person entitled to a dependency death benefit, the employer shall pay a sum to the Department of Industrial Relations equal to the total dependency death benefit that would be payable to a surviving spouse with no dependent minor children.

(b) Where the deceased employee leaves no surviving dependent, personal representative, heir, or other person entitled to the accrued and unpaid compensation referred to in Section 4700, the accrued and unpaid compensation shall be paid by the employer to the Department of Industrial Relations.

(c) The payments to be made to the Department of Industrial Relations, as required by subdivisions (a) and (b), shall be deposited in the General Fund and shall be credited, as a reimbursement, to any appropriation to the Department of Industrial Relations for payment of the additional compensation for subsequent injury

provided in Article 5 (commencing with Section 4750), in the fiscal year in which the Controller's receipt is issued.

(d) The payments to be made to the Department of Industrial Relations, as required by subdivision (a), shall be paid to the department in a lump sum in the manner provided in subdivision (b) of Section 5101.

(e) The Department of Industrial Relations shall keep a record of all payments due the state under this section, and shall take such steps as may be necessary to collect those amounts.

(f) Each employer, or the employer's insurance carrier, shall notify the administrative director, in such form as the administrative director may prescribe, of each employee death, except when the employer has actual knowledge or notice that the deceased employee left a surviving dependent.

(g) When, after a reasonable search, the employer concludes that the deceased employee left no one surviving who is entitled to a dependency death benefit, and concludes that the death was under such circumstances as to entitle the employee to compensation benefits, the employer may voluntarily make the payment referred to in subdivision (a). Payments so made shall be construed as payments made pursuant to an appeals board findings and award. Thereafter, if the appeals board finds that the deceased employee did in fact leave a person surviving who is entitled to a dependency death benefit, upon that finding, all payments referred to in subdivision (a) which have been made shall be forthwith returned to the employer, or if insured, to the employer's workers' compensation carrier that indemnified the employer for the loss.

SEC. 106. Section 4721 of the Labor Code is amended to read:

4721. The surviving spouse or dependent minor children of an elected public official who is killed by assassination shall be entitled to a special death benefit which shall be in addition to any other benefits provided for by this division or Division 4.5 (commencing with Section 6100).

SEC. 107. Section 4723 of the Labor Code is amended to read:

4723. The person or persons to whom the special death benefit is payable pursuant to Section 4722 shall, within one year of the date of death of the elected public official, choose either of the following benefits:

(a) An annual benefit equal to one-half of the average annual salary paid to the elected public official in his or her elected capacity, less credit for any other death benefit provided for under existing law or by public funds, except benefits payable pursuant to this division or Division 4.5 (commencing with Section 6100). Payments shall be paid not less frequently than monthly, and shall be paid from the date of death until the spouse dies or remarries, or until the youngest minor dependent child reaches the age of 18 years, whichever occurs last. If payments are being made to a dependent parent or parents they shall continue during dependency.

(b) A lump-sum benefit of one hundred fifty thousand dollars

(\$150,000), less any other death benefit provided for under existing law or by public funds, except benefits payable pursuant to this division or Division 4.5 (commencing with Section 6100).

SEC. 108. Section 4903.2 of the Labor Code is amended to read:

4903.2. Where a lien claimant is reimbursed pursuant to subdivision (f) or (g) of Section 4903 or Section 4903.1, for benefits paid or services provided, the appeals board may award an attorney's fee to the applicant's attorney out of the lien claimant's recovery if the appeals board determines that all of the following occurred:

(a) The lien claimant received notice of all hearings following the filing of the lien and received notice of intent to award the applicant's attorney a fee.

(b) An attorney or other representative of the lien claimant did not participate in the proceedings before the appeals board with respect to the lien claim.

(c) There were bona fide issues respecting compensability, or respecting allowability of the lien, such that the services of an attorney were reasonably required to effectuate recovery on the claim of lien and were instrumental in effecting the recovery.

(d) The case was not disposed of by compromise and release.

The amount of the attorney's fee out of the lien claimant's recovery shall be based on the extent of applicant's attorney's efforts on behalf of the lien claimant. The ratio of the amount of the attorney's fee awarded against the lien claimant's recovery to that recovery shall not exceed the ratio of the amount of the attorney's fee awarded against the applicant's award to that award.

SEC. 109. Section 5455 of the Labor Code is amended to read:

5455. Nothing in this chapter shall prohibit any party from filing an application for benefits under this division. In any proceeding pursuant to such application, the admissibility of written evidence or reports submitted by any party pursuant to this chapter, or Section 5502, shall be governed by Chapter 5 (commencing with Section 5700).

SEC. 110. Section 5600 of the Labor Code is amended to read:

5600. The appeals board may, upon the filing of an application by or on behalf of an injured employee, the employee's dependents, or any other party in interest, direct the county clerk of any county to issue writs of attachment authorizing the sheriff to attach the property of the defendant as security for the payment of any compensation which may be awarded in any of the following cases:

(a) In any case mentioned in Section 415.50 of the Code of Civil Procedure.

(b) Where the employer has failed to secure the payment of compensation as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1.

The attachment shall be in an amount fixed by the appeals board, not exceeding the greatest probable award against the defendant in the matter.

SEC. 111. Section 6304.4 of the Labor Code is amended to read:

6304.4. A prisoner engaged in correctional industry, as defined by the Department of Corrections, shall not be considered an employee for purposes of the provisions relating to appeal proceedings set forth in Chapter 7 (commencing with Section 6600).

SEC. 112. Section 6396 of the Labor Code is amended to read:

6396. (a) The Director of Industrial Relations shall protect from disclosure any and all trade secrets coming into his or her possession, as defined in subdivision (d) of Section 6254.7 of the Government Code, when requested in writing or by appropriate stamping or marking of documents by the manufacturer or producer of a mixture.

(b) Any information reported to or otherwise obtained by the Director of Industrial Relations, or any of his or her representatives or employees, which is exempt from disclosure under subdivision (a), shall not be disclosed to anyone except an officer or employee of the state or of the United States of America, in connection with the official duties of that officer or employee under any law for the protection of health, or to contractors with the state and their employees if in the opinion of the director the disclosure is necessary and required for the satisfactory performance of a contract for performance of work in connection with this act.

(c) Any officer or employee of the state, or former officer or employee, who by virtue of that employment or official position has obtained possession of or has access to material the disclosure of which is prohibited by this section, and who knowing that disclosure of the material is prohibited, knowingly and willfully discloses the material in any manner to any person not entitled to receive it, is guilty of a misdemeanor. Any contractor with the state and any employee of that contractor, who has been furnished information as authorized by this section, shall be considered to be an employee of the state for purposes of this section.

(d) Information certified to by appropriate officials of the United States, as necessarily kept secret for national defense purposes, shall be accorded the full protections against disclosure as specified by that official or in accordance with the laws of the United States.

(e) (1) The director, upon his or her own initiative, or upon receipt of a request pursuant to the California Public Records Act, (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) for the release of data submitted and designated as a trade secret by an employer, manufacturer, or producer of a mixture, shall determine whether any or all of the data so submitted are a properly designated trade secret.

(2) If the director determines that the data is not a trade secret, the director shall notify the employer, manufacturer, or producer of a mixture by certified mail.

(3) The employer, manufacturer, or producer of a mixture shall have 15 days after receipt of notification to provide the director with a complete justification and statement of the grounds on which the trade secret privilege is claimed. This justification and statement



shall be submitted by certified mail.

(4) The director shall determine whether the data are protected as a trade secret within 15 days after receipt of the justification and statement, or if no justification and statement is filed, within 30 days of the original notice, and shall notify the employer or manufacturer and any party who has requested the data pursuant to the California Public Records Act of that determination by certified mail. If the director determines that the data are not protected as a trade secret, the final notice shall also specify a date, not sooner than 15 days after the date of mailing of the final notice, when the data shall be available to the public.

(5) Prior to the date specified in the final notice, an employer, manufacturer, or producer of a mixture may institute an action in an appropriate superior court for a declaratory judgment as to whether the data are subjected to protection under subdivision (a).

(f) This section does not authorize a manufacturer to refuse to disclose information required pursuant to this chapter to the director.

SEC. 113. Section 6403 of the Labor Code is amended to read:

6403. No employer shall fail or neglect to do any of the following:

(a) To provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe.

(b) To adopt and use methods and processes reasonably adequate to render the employment and place of employment safe.

(c) To do every other thing reasonably necessary to protect the life, safety, and health of employees.

SEC. 114. Section 6410 of the Labor Code is amended to read:

6410. The reports required by subdivision (a) of Section 6409, subdivision (a) of Section 6409.1, and Section 6413 shall be made in the form and detail and within the time limits prescribed by reasonable rules and regulations adopted by the Division of Labor Statistics and Research in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

Nothing in this chapter requiring recordkeeping and reporting by employers shall relieve the employer of maintaining records and making reports to the assistant secretary, United States Department of Labor, as required under the Federal Occupational Safety and Health Act of 1970 (P.L. 91-596). The Division of Labor Statistics and Research shall prescribe and provide the forms necessary for maintenance of the required records, and the Division of Occupational Safety and Health shall enforce by citation and penalty assessment any violation of the recordkeeping requirements of this chapter.

All state and local government employers shall maintain records and make reports in the same manner and to the same extent as required of other employers by this section.

SEC. 115. Section 6413 of the Labor Code is amended to read:

6413. (a) The Department of Corrections, and every physician

or surgeon who attends any injured state prisoner, shall file with the Division of Labor Statistics and Research a complete report of every injury to each state prisoner, not reported pursuant to subdivision (a) of Section 6409 or Section 6409.1, resulting from any labor performed by the prisoner unless disability resulting from such injury does not last through the day or does not require medical service other than ordinary first aid treatment. The Division of Labor Statistics and Research may, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, adopt reasonable rules and regulations prescribing the details and time limits of the report.

(b) Where the injury results in death a report, in addition to the report required by subdivision (a), shall forthwith be made by the Department of Corrections to the Division of Labor Statistics and Research by telephone or telegraph.

(c) Except as provided in Section 6304.2, nothing in this section or in this code shall be deemed to make a prisoner an employee, for any purpose, of the Department of Corrections.

(d) Notwithstanding subdivision (a), no physician or surgeon who attends any injured state prisoner outside of a Department of Corrections institution shall be required to file the report required by subdivision (a), but the Department of Corrections shall file the report.

SEC. 116. Section 6454 of the Labor Code is amended to read:

6454. The division may, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, make such rules and regulations as are reasonably necessary to carry out the provisions of this chapter and to establish rules and regulations relating to the granting or denial of temporary variances.

SEC. 117. Section 6500 of the Labor Code is amended to read:

6500. For those employments or places of employment which by their nature involve a substantial risk of injury, the division shall require the issuance of a permit prior to the initiation of any practices, work, method, operation, or process of employment. The employment or places of employment shall be limited to any of the following:

(a) Construction of trenches or excavations which are five feet or deeper and into which a person is required to descend.

(b) The construction of any building, structure, falsework, or scaffolding more than three stories high or the equivalent height.

(c) The demolition of any building, structure, falsework, or scaffold more than three stories high or the equivalent height.

SEC. 118. Section 6650 of the Labor Code is amended to read:

6650. After the exhaustion of the review procedures provided for in Chapter 7 (commencing with Section 6600), the director may apply to the appropriate superior court for an order directing payment of a civil penalty. The application, which shall include a certified copy of the notice of civil penalty or the decision of the

appeals board, shall constitute a sufficient showing to warrant the issuance of the order.

SEC. 119. Section 7655 of the Labor Code is amended to read:

7655. The division shall prepare and adopt regulations in accordance with the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, designed to promote safety with respect to the installation and operation of vendor facilities for the storage and pumping of compressed or liquefied natural gas and liquefied petroleum gas into vehicles.

SEC. 120. Section 987.8 of the Penal Code, as amended by Section 3 of Chapter 966 of the Statutes of 1982, is amended to read:

987.8. (a) In any case in which a defendant is provided legal assistance, either through the public defender or private counsel appointed by the court, upon conclusion of the criminal proceedings in the trial court, or upon the withdrawal of the public defender or appointed private counsel, the court may, after notice and a hearing, make a determination of the present ability of the defendant to pay all or a portion of the cost thereof. The court may, in its discretion, hold one such additional hearing within six months of the conclusion of the criminal proceedings. The court may, in its discretion, order the defendant to appear before a county officer designated by the court to make an inquiry into the ability of the defendant to pay all or a portion of the legal assistance provided.

(b) In any case in which the defendant hires counsel replacing a publicly provided attorney; in which the public defender or appointed counsel was required by the court to proceed with the case after a determination by the public defender that the defendant is not indigent; or, in which the defendant, at the conclusion of the case, appears to have sufficient assets to repay, without undue hardship, all or a portion of the cost of the legal assistance provided to him or her, by monthly installments or otherwise; the court shall make a determination of the defendant's ability to pay as provided in subdivision (a), and may, in its discretion, make other orders as provided in that subdivision.

This subdivision shall be operative in a county only upon the adoption of a resolution by the board of supervisors to that effect.

(c) If the defendant, after having been ordered to appear before a county officer, has been given proper notice and fails to appear before a county officer within 20 working days, the county officer shall recommend to the court that the full cost of the legal assistance shall be ordered to be paid by the defendant. The notice to the defendant shall contain all of the following:

(1) A statement of the cost of the legal assistance provided to the defendant as determined by the court.

(2) The defendant's procedural rights under this section.

(3) The time limit within which the defendant's response is required.

(4) A warning that if the defendant fails to appear before the

designated officer, the officer will recommend that the court order the defendant to pay the full cost of the legal assistance provided to him or her.

(d) At a hearing, the defendant shall be entitled to, but shall not be limited to, all of the following rights:

(1) The right to be heard in person.

(2) The right to present witnesses and other documentary evidence.

(3) The right to confront and cross-examine adverse witnesses.

(4) The right to have the evidence against him or her disclosed to him or her.

(5) The right to a written statement of the findings of the court.

If the court determines that the defendant has the present ability to pay all or a part of the cost, the court shall set the amount to be reimbursed and order the defendant to pay the sum to the county in the manner in which the court believes reasonable and compatible with the defendant's financial ability. Failure of a defendant who is not in custody to appear after due notice is a sufficient basis for an order directing the defendant to pay the full cost of the legal assistance determined by the court. The order to pay all or a part of the costs may be enforced in the manner provided for enforcement of money judgments generally but may not be enforced by contempt.

Any order entered under this subdivision is subject to relief under Section 473 of the Code of Civil Procedure.

(e) Prior to the furnishing of counsel or legal assistance by the court, the court shall give notice to the defendant that the court may, after a hearing, make a determination of the present ability of the defendant to pay all or a portion of the cost of counsel. The court shall also give notice that, if the court determines that the defendant has the present ability, the court shall order him or her to pay all or a part of the cost. The notice shall inform the defendant that the order shall have the same force and effect as a judgment in a civil action and shall be subject to enforcement against the property of the defendant in the same manner as any other money judgment.

(f) As used in this section:

(1) "Legal assistance" means legal counsel and supportive services including, but not limited to, medical and psychiatric examinations, investigative services, expert testimony, or any other form of services provided to assist the defendant in the preparation and presentation of the defendant's case.

(2) "Ability to pay" means the overall capability of the defendant to reimburse the costs, or a portion of the costs, of the legal assistance provided to him or her, and shall include, but not be limited to, all of the following:

(A) The defendant's present financial position.

(B) The defendant's reasonably discernible future financial position. In no event shall the court consider a period of more than six months from the date of the hearing for purposes of determining

the defendant's reasonably discernible future financial position. Unless the court finds unusual circumstances, a defendant sentenced to state prison shall be determined not to have a reasonably discernible future financial ability to reimburse the costs of his or her defense.

(C) The likelihood that the defendant shall be able to obtain employment within a six-month period from the date of the hearing.

(D) Any other factor or factors which may bear upon the defendant's financial capability to reimburse the county for the costs of the legal assistance provided to the defendant.

(g) At any time during the pendency of the judgment rendered according to the terms of this section, a defendant against whom a judgment has been rendered may petition the rendering court to modify or vacate its previous judgment on the grounds of a change in circumstances with regard to the defendant's ability to pay the judgment. The court shall advise the defendant of this right at the time it renders the judgment.

(h) This section shall apply to all proceedings, including contempt proceedings, in which the party is represented by a public defender or appointed counsel.

SEC. 121. Section 1170.8 of the Penal Code, as added by Chapter 964 of the Statutes of 1982, is amended and renumbered to read:

1170.9. In the case of any person convicted of a felony who would otherwise be sentenced to state prison the court shall consider whether the defendant was a member of the military forces of the United States who served in combat in Vietnam and who suffers from substance abuse or psychological problems resulting from that service. If the court concludes that the defendant is such a person, the court may order the defendant committed to the custody of federal correctional officials for incarceration for a term equivalent to that which the defendant would have served in state prison. The court may make such a commitment only if the defendant agrees to such a commitment, the court has determined that appropriate federal programs exist, and federal law authorizes the receipt of the defendant under such conditions.

SEC. 122. Section 1170.8 of the Penal Code, as added by Chapter 1296 of the Statutes of 1982, is amended and renumbered to read:

1170.95. (a) Notwithstanding Section 1170.1 relating to the maximum total of subordinate terms for consecutive offenses which are not "violent felonies," the total of the subordinate terms for consecutive offenses which are all residential burglaries may exceed five years but shall not exceed 10 years.

(b) Notwithstanding Section 1170.1, the term of imprisonment may exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170 if the defendant stands convicted of at least two residential burglaries.

(c) As used in this section, "residential burglary" means burglary in the nighttime or a felony burglary in the daytime, of an inhabited dwelling house or trailer coach, as defined in Section 635 of the

Vehicle Code, or the inhabited portion of any other building.

SEC. 123. Section 1603 of the Penal Code, as added by Section 2 of Chapter 1232 of the Statutes of 1982, is amended to read:

1603. Any person subject to subdivision (a) of Section 1601 may be placed on outpatient status if all of the following conditions are satisfied:

(a) The director of the state hospital or other treatment facility to which the person has been committed advises the committing court that the defendant is no longer likely to be a danger to the health and safety of others while on outpatient status, and will benefit from that status.

(b) The county mental health director advises the court that the defendant will benefit from that status, and identifies an appropriate program of supervision and treatment.

(c) After actual notice to the prosecutor and defense counsel, and after a hearing in court, the court specifically approves the recommendation and plan for outpatient status pursuant to Section 1604.

(d) This section shall become operative January 1, 1989.

SEC. 124. Section 608 of the Probate Code is amended to read:

608. The appraisalment shall be signed by the executor or administrator as to those assets appraised by him or her, and by the probate referee as to those assets appraised by him or her. The executor or administrator and the probate referee shall each subscribe his or her oath or statement under penalty of perjury that all items thereof which he or she has appraised have been truly, honestly, and impartially appraised to the best of his or her ability.

SEC. 125. Section 4799.10 of the Public Resources Code is amended to read:

4799.10. (a) The department is authorized to implement a program in urban forestry to encourage better tree management and planting in urban areas, to assist the cities in seeking innovative solutions to problems such as tree maintenance and vandalism, encourage demonstration projects to maximize the benefits of urban forests, and otherwise accomplish the purposes of this chapter.

The department shall assume the primary responsibility in carrying out the intent of this chapter in cooperation with other private and public entities or persons and appropriate local, state, and federal agencies such as the Cooperative Extension, the Department of Parks and Recreation, the Department of Transportation, resource conservation districts, and the United States Forest Service.

(b) The department shall be the agent of the state and shall have full power to cooperate with those agencies of the federal government which have powers and duties concerning urban forestry, and shall perform all things necessary to secure for this state the benefits of federal urban forestry programs.

To facilitate implementation of this chapter, the director is authorized to enter into agreements and contracts with any public

or private organization including local agencies having forestry-related jurisdictional responsibilities and established and operating urban forestry programs. The director shall consult with those agencies when carrying out the provisions of this chapter in their respective areas.

(c) The director shall take all steps necessary to prevent or retard the introduction, establishment, and spread of the Dutch elm disease including the detection and removal of infected and high-hazard elm trees.

The department and the Department of Food and Agriculture shall cooperate in setting quarantine boundary lines and in enforcing the provisions relating to quarantine and pest abatement contained in Division 4 (commencing with Section 5001) of the Food and Agricultural Code when a quarantine is established with regard to the Dutch elm disease.

(d) The department may use available recipients of the Aid to Families with Dependent Children or General Assistance Program who are participating in state or county work experience programs for carrying out the purposes of this chapter. The participation of Work Incentive Program registrants shall be consistent with their employability development plan. Persons being used by the department pursuant to this subdivision shall not be in the same crew as persons being used pursuant to subdivision (e).

(e) Whenever it is feasible to do so, the department may utilize inmates and wards assigned to conservation camps in implementing this chapter.

SEC. 126. Section 9965 of the Public Resources Code is amended to read:

9965. (a) The Legislature finds that compliance with the mandated regulations of the district will produce public benefits by improving wildlife habitat in the primary management area and that providing public funds to partially offset the costs of complying with those regulations would serve a valid public purpose. Assistance under this section shall not be treated as taxable income to a private landowner.

(b) Each year the district shall submit to the department an estimate of an amount sufficient to reimburse the private landowners in the primary management area for 50 percent of the operation and maintenance costs which it anticipates they will incur the following fiscal year in carrying out this chapter and Division 19 (commencing with Section 29000). Funds for this purpose shall not exceed five thousand dollars (\$5,000) per individual ownership. The funds shall be included in the budget of the department payable from the Wildlife Restoration Fund and shall be available to the department for disbursement to the private landowners in accordance with subdivision (c).

(c) Each fiscal year, any private landowner in the primary management area who desires to qualify for the assistance provided by this section shall, by December 31, submit to the district a claim

for those costs incurred that calendar year in carrying out the operation and maintenance activities specified in that landowner's individual ownership management program. Each claim shall be accompanied by substantiating documents, as determined by the district. The district shall review each claim to determine its appropriateness by, including, but not limited to, an onsite inspection to establish that the physical improvements or management procedures for which a claim is submitted have been satisfactorily completed. The district shall submit the individual ownership claims to the department for review and approval for payment equal to 50 percent of each claim. However, no payment shall exceed five thousand dollars (\$5,000). In any fiscal year in which the funds appropriated for purposes of this section are insufficient to pay 50 percent of each claim, the department shall pay all approved claims on a pro rata basis. In any fiscal year in which no funds are appropriated for purposes of this section, the department shall pay no claims.

SEC. 127. Section 304 of the Public Utilities Code is amended to read:

304. The annual salary of each commissioner is provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code. The commissioners shall be civil executive officers, and their salaries as fixed by law shall be paid in the same manner as are the salaries of other state officers.

SEC. 128. Section 705 of the Public Utilities Code is amended to read:

705. Whenever in Articles 2 (commencing with Section 726), 3 (commencing with Section 761), and 4 (commencing with Section 791) a hearing by the commission is required, the hearing may be had either upon complaint or upon motion of the commission.

SEC. 129. Section 1906 of the Public Utilities Code is amended to read:

1906. All fees collected under this chapter shall be paid, except as provided in Chapter 6 (commencing with Section 5001) of Division 2, at least once each month into the State Treasury to the credit of the General Fund.

SEC. 130. Section 2702 of the Public Utilities Code is amended to read:

2702. Any corporation or association which is organized for the purpose of delivering water solely to its stockholders or members at cost, and which delivers water to others than its stockholders or members, or to the state or any department or agency thereof or any school district, or to any other mutual water company, for compensation, is a public utility and is subject to Part 1 (commencing with Section 201) and to the jurisdiction, control, and regulation of the commission.

SEC. 131. Section 2703 of the Public Utilities Code is amended to read:

2703. Any corporation or association which is organized both for



the purpose of delivering water to its stockholders or members at cost, and to persons, firms, corporations, municipalities, or other political subdivisions of the state, is a public utility and is subject to Part 1 (commencing with Section 201) and to the jurisdiction, control, and regulation of the commission.

SEC. 132. Section 2707 of the Public Utilities Code is amended to read:

2707. For the purpose of determining the status of any person, firm, or corporation, their lessees, trustees, receivers or trustees appointed by any court, owning, controlling, operating, or managing any water system or water supply within this state, the commission may hold hearings and issue process and orders in the manner and to the same extent as provided in Part 1 (commencing with Section 201), and the findings and conclusions of the commission on questions of fact arising under this chapter are final and not subject to review, except as provided in Part 1 (commencing with Section 201).

SEC. 133. Section 3904 of the Public Utilities Code is amended to read:

3904. Unless the context otherwise requires, the definitions and general provisions set forth in Chapter 1 (commencing with Section 3501) govern the construction of this chapter.

SEC. 134. Section 5162 of the Public Utilities Code is amended to read:

5162. The protection required under this article shall be evidenced by the deposit of any of the following with the commission covering each vehicle used, or to be used, under the permit applied for:

(a) A policy of insurance, issued by a company licensed to write such insurance in this state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if the policies meet the rules promulgated therefor by the commission.

(b) A bond of a surety company licensed to write surety bonds in the state.

(c) Such evidence of the qualification of the household goods carrier as a self-insurer as may be authorized by the commission.

SEC. 135. Section 5164 of the Public Utilities Code is amended to read:

5164. The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance or surety bond shall not be cancelable on less than 30 days' written notice to the commission.

SEC. 136. Section 5392 of the Public Utilities Code is amended to read:

5392. The protection required under Section 5391 shall be evidenced by the deposit of any of the following with the commission covering each vehicle used or to be used under the certificate or permit applied for:

(a) Of a policy of insurance, issued by a company licensed to write

such insurance in this state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if the policies meet the rules promulgated therefor by the commission.

(b) Of a bond of a surety company licensed to write surety bonds in the state.

(c) Such evidence of the qualification of the charter-party carrier of passengers as a self-insurer as may be authorized by the commission.

SEC. 137. Section 5504 of the Public Utilities Code is amended to read:

5504. This article does not apply to any person licensed under Article 1 (commencing with Section 11701) of Chapter 4 of Division 6 of the Food and Agricultural Code with respect to that person's operation of an aircraft for the purpose of applying pest control materials or substances by dusting, spraying, or any other manner whereby the materials or substances are applied through the medium of aircraft. That person is subject to Article 2 (commencing with Section 11931) of Chapter 5 of Division 6 of the Food and Agricultural Code with respect to that aircraft operation.

SEC. 138. Section 99314.3 of the Public Utilities Code is amended to read:

99314.3. (a) The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Section 99314 shall be allocated to the operators in the area of its jurisdiction.

(b) The amount allocated to each operator pursuant to this section shall be based on the ratio of its revenue during the prior fiscal year to the total revenue of all the operators during the prior fiscal year within the area of jurisdiction of the allocating agency, commission, or board, as the case may be.

(c) For purposes of subdivision (a), the City and County of San Francisco with respect to its municipal railway system, the Alameda-Contra Costa Transit District, and the San Francisco Bay Area Rapid Transit District shall be considered one operator. The amount allocated to them as one operator shall be apportioned to each of them based on the ratio of its revenue to the sum of their revenues, excluding from the determination of that ratio the amount allocated to each of them pursuant to Section 29142.2.

SEC. 139. Section 100055.4 of the Public Utilities Code is amended to read:

100055.4. Section 851 does not apply to any contract for sale or sale of an existing system, or any portion thereof, pursuant to this chapter, and the Public Utilities Commission has no jurisdiction with respect thereto.

SEC. 140. Section 102304 of the Public Utilities Code is amended to read:

102304. Section 851 does not apply to any contract for sale or sale of an existing system, or any portion thereof, pursuant to this chapter,

and the Public Utilities Commission has no jurisdiction with respect thereto.

SEC. 141. Section 102571 of the Public Utilities Code is amended to read:

102571. Chapter 1 (commencing with Section 99000) of Part 11 applies to the district.

SEC. 142. Section 12631 of the Revenue and Taxation Code is amended to read:

12631. Any insurer who fails to pay any tax, except a tax determined as a deficiency assessment by the board under Article 3 (commencing with Section 12421) of Chapter 4, within the time required, shall pay a penalty of 10 percent of the amount of the tax in addition to the tax, plus interest at the adjusted annual rate established pursuant to Section 19269 from the due date of the tax until the date of payment.

SEC. 143. Section 17052.4 of the Revenue and Taxation Code, as amended by Section 155 of Chapter 454 of the Statutes of 1982, is amended and renumbered to read:

17052.1. (a) (1) There shall be allowed as a credit against the amount of net tax imposed by this part an amount equal to 50 percent of the cost incurred by the taxpayer during the taxable year for the acquisition and installation of solar pumping systems used in agricultural irrigation on premises in California.

(2) A husband and wife shall receive but one credit under this section. If the husband and wife file separate returns, the credit may be taken by either or equally divided between them.

(3) The basis of any solar pumping system for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(4) The credit provided by this section for the cost incurred by the taxpayer for the acquisition and installation of solar pumping systems shall be in lieu of any credit under Section 17052.5 to which the taxpayer otherwise may be entitled, if any.

(b) The amount of credits allowed by this section shall not exceed seventy-five thousand dollars (\$75,000) for each solar pumping system.

(c) If in the case where the credit allowed under this section exceeds the "net tax" for the taxable year, that portion of the credit which exceeds such "net tax" may be carried over to the "net tax" in succeeding taxable years, with respect to which this section shall remain in effect for purposes of carrying over excess credit, until the credit is used. The credit shall be applied first to the earliest years possible.

(d) For purposes of this section:

(1) "Installation" means placing in position in a functionally operative state.

(2) "Net tax" means the tax imposed under Section 17041 or 17048 minus all credits except the credits provided by Sections 17061

(relating to state disability insurance withheld), 18551.1 (relating to income tax withheld), and 17053.5 (relating to the renters' credit).

(3) "Solar pumping system" includes, but is not limited to, active thermal systems, photovoltaic systems, and any other system which converts solar energy into electrical or mechanical energy for purposes of driving an irrigation pump. "Solar pumping system" also includes the ancillary components necessary for the installation and operation of the system.

(e) The Franchise Tax Board, in determining the eligibility of a solar pumping system for which a taxpayer has filed a statement of election, may consult with the California Energy Commission regarding the technical qualifications of the equipment.

SEC. 144. Section 17056 of the Revenue and Taxation Code is amended to read:

17056. For the purposes of this part, "dependents" means any of the following individuals over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer (or is treated under Section 17058 or 17059.5 as received from the taxpayer):

- (a) A son or daughter of the taxpayer, or a descendant of either.
- (b) A stepson or stepdaughter of the taxpayer.
- (c) A brother, sister, stepbrother, or stepsister of the taxpayer.
- (d) The father or mother of the taxpayer or an ancestor of either.
- (e) A stepfather or stepmother of the taxpayer.
- (f) A son or daughter of a brother or sister of the taxpayer.
- (g) A brother or sister of the father or mother of the taxpayer.
- (h) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer.

(i) An individual (other than an individual who at any time during the taxable year was the spouse, determined without regard to Section 17060, of the taxpayer) who, for the taxable year of the taxpayer, has as his or her principal place of abode the home of the taxpayer and is a member of the taxpayer's household.

SEC. 145. Section 17063.3 of the Revenue and Taxation Code is amended to read:

17063.3. For purposes of subdivision (i) of Section 17063:

(a) "Straight line recovery of intangibles," when used with respect to intangible drilling and development costs for any well, means (except in the case of an election under subdivision (b)) ratable amortization of those costs over the 120-month period beginning with the month in which production from the well begins.

(b) If the taxpayer elects, at such time and in such manner as the Franchise Tax Board may by regulations prescribe, with respect to the intangible drilling and development costs for any well, "straight line recovery of intangibles" means any method which would be permitted for purposes of determining cost depletion with respect to such well and which is selected by the taxpayer for purposes of subdivision (i) of Section 17063.

SEC. 146. Section 17112.5 of the Revenue and Taxation Code is

amended to read:

17112.5. (a) In computing—

(1) The aggregate amount of premiums or other consideration paid for the contract for purposes of Section 17103(a) (1) (relating to the investment in the contract),

(2) The consideration for the contract contributed by the employee for purposes of Section 17104(a) (relating to employee's contributions recoverable in three years), and

(3) The aggregate premiums or other consideration paid for purposes of Section 17105 (relating to certain amounts not received as an annuity),

any amount allowed as a deduction with respect to the contract under Sections 17513 to 17525, inclusive, which was paid while the employee was an employee within the meaning of Section 17502.2(a) shall be treated as consideration contributed by the employer, and there shall not be taken into account any portion of the premiums or other consideration for the contract paid while the employee was an owner-employee which is properly allocable (as determined under regulations prescribed by the Franchise Tax Board) to the cost of life, accident, health, or other insurance.

(b) (1) This subdivision shall apply to any life insurance contract—

(A) Purchased as a part of a plan described in Section 17511, or

(B) Purchased by a trust described in Section 17501 which is exempt from tax under Section 17631 if the proceeds of the contract are payable directly or indirectly to a participant in the trust or to a beneficiary of the participant.

(2) Any contribution to plan described in paragraph (1) (A) or a trust described in paragraph (1) (B) which is allowed as a deduction under Sections 17513 to 17525, inclusive, which is determined in accordance with regulations prescribed by the Franchise Tax Board to have been applied to purchase the life insurance protection under a contract described in paragraph (1), is includable in the gross income of the participant for the taxable year when so applied.

(3) In the case of the death of an individual insured under a contract described in paragraph (1), an amount equal to the cash surrender value of the contract immediately before the death of the insured shall be treated as a payment under such plan or a distribution by such trust, and the excess of the amount payable by reason of the death of the insured over such cash surrender value shall not be includable in gross income under this chapter and shall be treated as provided in Section 17132.

(c) (1) If during any taxable year an owner-employee assigns (or agrees to assign) or pledges (or agrees to pledge) any portion of his or her interest in a trust described in Section 17501 which is exempt from tax under Section 17631, an individual retirement account described in Section 17530(a), an individual retirement annuity described in Section 17530(b) or any portion of the value of a contract purchased as part of a plan described in Section 17511, that

portion shall be treated as having been received by the owner-employee as a distribution from the trust or as an amount received under the contract.

(2) If during any taxable year, an owner-employee receives, directly or indirectly, any amount from any insurance company as a loan under a contract purchased by a trust described in Section 17501 which is exempt from tax under Section 17631 or purchased as part of a plan described in Section 17511, and issued by that insurance company, that amount shall be treated as an amount received under the contract.

(d) (1) This subdivision shall apply—

(A) To amounts (other than any amount received by an individual in his capacity as a policyholder of an annuity, endowment, or life insurance contract which is in the nature of a dividend or similar distribution) which are received from a qualified trust described in Section 17501 or under a plan described in Section 17511 and which are received by an individual, who is, or has been, an owner-employee, before the individual attains the age of 59½ years, for any reason other than the individual's becoming disabled (within the meaning of subdivision (f)), but only to the extent that the amounts are attributable to contributions paid on behalf of that individual (other than contributions made by that individual as an owner-employee) while the individual was an owner-employee, and

(B) To amounts which are received from a qualified trust described in Section 17501 or under a plan described in Section 17511 at any time by an individual who is, or has been, an owner-employee, or by the successor of that individual, but only to the extent that the amounts are determined, under regulations prescribed by the Franchise Tax Board, to exceed the benefits provided for that individual under the plan formula, and

(2) If a person receives an amount to which this subdivision applies, that person's tax under this part for the taxable year in which that amount is received shall be increased by an amount equal to 2.5 percent of the portion of the amount so received which is includable in that person's gross income for the taxable year.

(e) For purposes of this section, "owner-employee" has the meaning assigned to it by Section 17502.2(c) and includes an individual for whose benefit an individual retirement account or annuity described in Section 17530(a) or (b) is maintained.

(f) For purposes of this chapter, an individual shall be considered to be disabled if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless that individual furnishes proof of the existence thereof in such form and manner as the Franchise Tax Board may require.

SEC. 147. Section 17155 of the Revenue and Taxation Code is amended to read:

17155. (a) At the election of the taxpayer, gross income shall not include gain from the sale or exchange of property if:

(1) The taxpayer has attained the age of 55 before the date of the sale or exchange, and

(2) During the five-year period ending on the date of the sale or exchange, the property has been owned and used by the taxpayer as his or her principal residence for periods which cumulatively total three years or more.

(b) The amount of the gain excluded from gross income under subdivision (a) shall not exceed one hundred twenty-five thousand dollars (\$125,000) (sixty-two thousand five hundred dollars (\$62,500) in the case of a separate return by a married individual).

(c) Subdivision (a) shall not apply to any sale or exchange by the taxpayer if an election by the taxpayer or the taxpayer's spouse under subdivision (a) with respect to any other sale or exchange is in effect.

(d) An election under subdivision (a) may be made or revoked at any time before the expiration of the period for making a claim for credit or refund of the tax imposed by this part for the taxable year in which the sale or exchange occurred, and shall be made or revoked in such manner as the Franchise Tax Board shall prescribe. In the case of a taxpayer who is married, an election under subdivision (a) or a revocation of an election made under subdivision (a) may be made only if the taxpayer's spouse joins in the election or revocation.

(e) (1) For purposes of this section, if:

(A) Property is held by a husband and wife as joint tenants, tenants by the entirety, or community property,

(B) The husband and wife make a joint return under Section 18402 for the taxable year of the sale or exchange, and

(C) One spouse satisfies the holding and use requirements of subdivision (a) with respect to the property, then both husband and wife shall be treated as satisfying the holding and use requirements of subdivision (a) with respect to the property.

(2) For purposes of this section, in the case of an unmarried individual whose spouse is deceased on the date of the sale or exchange of property, if:

(A) The deceased spouse (during the five-year period ending on the date of the sale or exchange) satisfied the holding and use requirements of subdivision (a) with respect to the property, and

(B) No election by the deceased spouse under subdivision (a) is in effect with respect to a prior sale or exchange then the individual shall be treated as satisfying the holding and use requirements of subdivision (a) with respect to the property.

(3) For purposes of this section, if the taxpayer holds stock as a tenant-stockholder (as defined in Section 17265) in a cooperative housing corporation (as defined in that section) then:

(A) The holding requirements of subdivision (a) shall be applied to the holding of that stock, and

(B) The use requirements of subdivision (a) shall be applied to

the house or apartment which the taxpayer was entitled to occupy as the stockholder.

(4) For purposes of this section, the destruction, theft, seizure, requisition, or condemnation of property shall be treated as the sale of the property.

(5) In the case of property only a portion of which, during the five-year period ending on the date of the sale or exchange, has been owned and used by the taxpayer as his or her principal residence for periods aggregating three years or more, this section shall apply with respect to so much of the gain from the sale or exchange of the property as is determined, as prescribed by the Franchise Tax Board, to be attributable to the portion of the property so owned and used by the taxpayer.

(6) In the case of any sale or exchange, for purposes of this section:

(A) The determination of whether an individual is married shall be made as of the date of the sale or exchange; and

(B) An individual legally separated from his or her spouse under a decree of divorce, dissolution or of separate maintenance shall not be considered as married.

(7) In applying Sections 18082 (relating to involuntary conversions) and 18091 (relating to sale or exchange of residence), the amount realized from the sale or exchange of property shall be treated as being the amount determined without regard to this section, reduced by the amount of gain not included in gross income pursuant to an election under this section.

(8) If the basis of the property sold or exchanged is determined (in whole or in part) under Section 18088 (relating to basis of property acquired through involuntary conversion), then the holding and use by the taxpayer of the converted property shall be treated as holding and use by the taxpayer of the property sold or exchanged.

(f) The amendments made to this section by the act adding this subdivision shall apply to residences sold or exchanged in taxable years beginning after December 31, 1981.

SEC. 148. Section 17299 of the Revenue and Taxation Code is amended to read:

17299. (a) Notwithstanding any other provisions in this part to the contrary, in the case of a taxpayer who derives rental income from substandard housing located in this state, no deduction shall be allowed for interest, taxes, depreciation, or amortization paid or incurred in the taxable year with respect to the substandard housing, except as provided in subdivision (e).

(b) "Substandard housing" means housing which (1) has been determined by a state or local government regulatory agency to violate state law or local codes dealing with health, safety, or building; and (2) after written notice of violation by the regulatory agency, specifying the applicability of this section, has not been brought to a condition of compliance within six months after the date of the notice or the time prescribed in the notice, whichever period



is later; or on which good faith efforts for compliance have not been commenced, as determined by the regulatory agency. The regulatory agency may, for good cause shown, extend the compliance date prescribed in a violation notice.

(c) When the period specified in subdivision (b) has expired without compliance, the regulatory agency shall mail to the taxpayer a notice of noncompliance. The notice of noncompliance shall be in such form and shall include such information as may be prescribed by the Franchise Tax Board, shall be mailed by certified mail to the taxpayer at the taxpayer's last known address, and shall advise the taxpayer (1) of an intent to notify the Franchise Tax Board of the noncompliance within 10 days unless an appeal is filed, (2) where an appeal may be filed, and (3) a general description of the tax consequences of the filing with the Franchise Tax Board. Appeals shall be made to the same body and in the same manner as appeals from other actions of the regulatory agency. If no appeal is made within 10 days or after disposition of the appeal if the regulatory agency is sustained, the regulatory agency shall notify the Franchise Tax Board of the noncompliance. No deduction shall be allowed for the items provided in subdivision (a) from the date of the notice of noncompliance until the date the regulatory agency determines that the substandard housing has been brought to a condition of compliance. The regulatory agency shall mail to the Franchise Tax Board and the taxpayer a notice of compliance, which notice shall be in such form and include such information as may be prescribed by the Franchise Tax Board. In the event the period of noncompliance does not cover an entire taxable year, the deductions shall be denied at the rate of one-twelfth for each full month during the period of noncompliance.

If the property is owned by more than one owner or if recorded title is in the name of a fictitious owner, the notice requirements provided in subdivision (b) and this subdivision shall be satisfied for each owner if the notices are mailed to one owner or to the fictitious name owner at the address appearing on the latest available property tax bill. However, notices made pursuant to this subdivision shall not relieve the regulatory agency from furnishing taxpayer identification information required to implement this section to the Franchise Tax Board.

(d) For the purposes of this section, a notice of noncompliance shall not be mailed by the regulatory agency to the Franchise Tax Board if:

(1) The rental housing was rendered substandard solely by reason of earthquake, flood, or other natural disaster except where the condition remains for more than three years after the disaster,

(2) The owner of the rental housing has secured financing to bring the housing into compliance with those laws or codes which have been violated, causing the housing to be classified as substandard, and has commenced repairs or other work necessary to bring the housing into compliance or

(3) The owner of rental housing which is not within the meaning of housing accommodation as defined by subdivision (d) of Section 35805 of the Health and Safety Code has attempted to:

(A) Secure financing to bring such housing into compliance with those laws or codes which have been violated, causing such housing to be classified as substandard; and

(B) The financing is denied solely because the housing is located in a neighborhood or geographical area in which financial institutions do not provide financing for rehabilitation of any such housing.

(e) This section does not apply to deductions from income derived from property rendered substandard solely by reason of a change in applicable state or local housing standards unless the violations cause substantial danger to the occupants of the property, as determined by the regulatory agency which has served notice of violation pursuant to subdivision (b).

(f) The owner of rental housing found to be in noncompliance shall, upon total or partial divestiture of interest in the property, immediately notify the regulatory agency of the name and address of the person or persons to whom the property has been sold or otherwise transferred and the date of the sale or transference.

(g) By July 1st of each year, the regulatory agency shall report to the appropriate legislative body of its jurisdiction all of the following information, for the preceding calendar year, regarding its activities to secure code enforcement, which shall be public information:

(1) The number of written notices of violation issued for substandard dwellings under subdivision (b).

(2) The number of violations complied with within the period prescribed in subdivision (b).

(3) The number of notices of noncompliance issued pursuant to subdivision (c).

(4) The number of appeals from those notices pursuant to subdivision (c).

(5) The number of successful appeals by owners.

(6) The number of notices of noncompliance mailed to the Franchise Tax Board pursuant to subdivision (c).

(7) The number of cases in which a notice of noncompliance was not sent pursuant to the provision of subdivision (d).

(8) The number of extensions for compliance granted pursuant to subdivision (b) and the mean average length of the extensions.

(9) The mean average length of time from the issuance of a notice of violation to the mailing of a notice of noncompliance to the Franchise Tax Board where the notice is actually sent to the Franchise Tax Board.

(10) The number of cases where compliance is achieved after a notice of noncompliance has been mailed to the Franchise Tax Board.

(11) The number of instances of disallowance of tax deductions by the Franchise Tax Board resulting from referrals made by the

regulatory agency. This information may be filed in a supplemental report in succeeding years as it becomes available.

SEC. 149. Section 17524 of the Revenue and Taxation Code is amended to read:

17524. (a) (1) In the case of a plan included in Section 17514, 17515, or 17516, which provides contributions or benefits for employees some or all of whom are employees within the meaning of Section 17502.2 (a), the amounts deductible under Sections 17513 to 17520.6, inclusive, in any taxable year with respect to contributions on behalf of any employee within the meaning of Section 17502.2(a) shall, subject to the provisions of subdivision (b), not exceed two thousand five hundred dollars (\$2,500), or 10 percent of the earned income derived by the employee from the trade or business with respect to which the plan is established, whichever is the lesser.

(2) In the case of such a plan where contributions are also made pursuant to and in conformance with the special limitations for self-employed individuals under Section 404 (e) of the Internal Revenue Code of 1954, as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) and the Economic Recovery Tax Act of 1981 (P.L. 97-34)—

(A) The amounts deductible are subject to the limitations provided in subdivisions (a), (b), and (c), and

(B) The net income attributable to the nondeductible portion shall not be includable in the gross income of the owner-employee for the taxable year or for succeeding taxable years until distributed pursuant to the provision of the plan or by operation of the law.

(b) (1) In any taxable year in which amounts are deductible with respect to contributions under two or more plans on behalf of an individual who is an employee within the meaning of Section 17502.2(a) with respect to the plans, the aggregate amount deductible for the taxable year under all the plans with respect to contributions on behalf of the employee shall not exceed two thousand five hundred dollars (\$2,500), or 10 percent of the earned income derived by the employee from the trades or businesses with respect to which the plans are established, whichever is the lesser.

(2) In any case in which the amounts deductible under Sections 17513 to 17520.6, inclusive (with the application of the limitations of this section), with respect to contributions made on behalf of an employee within the meaning of Section 17502.2(a), under two or more plans are, by reason of subdivision (b) (1), less than the amounts deductible under that section determined without regard to that subdivision, the amount deductible under Sections 17513 to 17520.6, inclusive, with respect to the contributions under each such plan shall be determined in accordance with regulations prescribed by the Franchise Tax Board.

(c) For purposes of this section, contributions which are allocable (determined under regulations prescribed by the Franchise Tax Board) to the purchase of life, accident, health, or other insurance shall not be taken into account.

SEC. 150. Section 17530 of the Revenue and Taxation Code is amended to read:

17530. (a) For purposes of this section, "individual retirement account" means a trust created or organized in the United States for the exclusive benefit of an individual or the individual's beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

(1) Except in the case of a rollover contribution described in subdivision (d) (3), in Section 17503(d), 17511(e), 17512(a) (9), or 17530.1(b) (3), no contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year on behalf of any individual in excess of two thousand dollars (\$2,000).

(2) The trustee is a bank (as defined in Section 17502.3(a)) or such other person who demonstrates to the satisfaction of the Franchise Tax Board that the manner in which that other person will administer the trust will be consistent with the requirements of this section.

(3) No part of the trust funds will be invested in life insurance contracts.

(4) The interest of an individual in the balance in that individual's account is nonforfeitable.

(5) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

(6) The entire interest of an individual for whose benefit the trust is maintained will be distributed to the individual not later than the close of that individual's taxable year in which the individual attains age 70½, or will be distributed, commencing before the close of the taxable year, in accordance with regulations prescribed by the Franchise Tax Board, over—

(A) The life of the individual or the lives of the individual and the individual's spouse, or

(B) A period not extending beyond the life expectancy of the individual or the life expectancy of the individual and that individual's spouse.

(7) If an individual for whose benefit the trust is maintained dies before the individual's entire interest has been distributed to him or her, or if distribution has been commenced as provided in paragraph (6) to his or her surviving spouse and the surviving spouse dies before the entire interest has been distributed to the spouse, the entire interest (or the remaining part of the interest if distribution thereof has commenced) will, within five years after that individual's death (or the death of the surviving spouse), be distributed, or applied to the purchase of an immediate annuity for that individual's beneficiary or beneficiaries (or the beneficiary or beneficiaries of his or her surviving spouse) which will be payable for the life of the beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of the beneficiary or beneficiaries) and which annuity will be immediately distributed to the beneficiary or

beneficiaries. The preceding sentence does not apply if distributions over a term certain commenced before the death of the individual for whose benefit the trust was maintained and the term certain is for a period permitted under paragraph (6).

(b) For purposes of this section, "individual retirement annuity" means an annuity contract, or an endowment contract (as determined under regulations prescribed by the Franchise Tax Board), issued by an insurance company which meets the following requirements:

(1) The contract is not transferable by the owner.

(2) Under the contract—

(A) The premiums are not fixed,

(B) The annual premium on behalf of any individual will not exceed two thousand dollars (\$2,000), and

(C) Any refund of premiums will be applied before the close of the calendar year following the year of the refund toward the payment of future premiums or the purchase of additional benefits.

(3) The entire interest of the owner will be distributed to the owner not later than the close of the owner's taxable year in which the owner attains age 70½, or will be distributed, in accordance with regulations prescribed by the Franchise Tax Board over—

(A) The life of the owner or the lives of the owner and the owner's spouse, or

(B) A period not extending beyond the life expectancy of the owner or the life expectancy of the owner and the owner's spouse.

(4) If the owner dies before the owner's entire interest has been distributed to the owner, or if distribution has been commenced as provided in paragraph (3) to the owner's surviving spouse and the surviving spouse dies before the entire interest has been distributed to the spouse, the entire interest (or the remaining part of the interest if distribution thereof has commenced) will, within five years after the owner's death (or the death of the surviving spouse), be distributed, or applied to the purchase of an immediate annuity for the owner's beneficiary or beneficiaries (or the beneficiary or beneficiaries of the owner's surviving spouse) which will be payable for the life of the beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of the beneficiary or beneficiaries) and which annuity will be immediately distributed to the beneficiary or beneficiaries. The preceding sentence shall have no application if distributions over a term certain commenced before the death of the owner and the term certain is for a period permitted under paragraph (3).

(5) The entire interest of the owner is nonforfeitable. The term does not include an annuity contract for any taxable year of the owner in which it is disqualified on the application of subdivision (e) or for any subsequent taxable year. For purposes of this subdivision, no contract shall be treated as an endowment contract if it matures later than the taxable year in which the individual in whose name the contract is purchased attains age 70½; if it is not for the exclusive

benefit of the individual in whose name it is purchased or the individual's beneficiaries; or if the aggregate annual premiums under all such contracts purchased in the name of the individual for any taxable year exceed two thousand dollars (\$2,000).

(c) A trust created or organized in the United States by an employer for the exclusive benefit of his or her employees or their beneficiaries, or by an association of employees (which may include employees within the meaning of Section 17502.2(a)) for the exclusive benefit of its members or their beneficiaries, shall be created as an individual retirement account (described in subdivision (a)), but only if the written governing instrument creating the trust meets the following requirements:

(1) The trust satisfies the requirements of paragraphs (1) through (7) of subdivision (a).

(2) There is a separate accounting for the interest of each employee or member (or spouse of an employee or member).

The assets of the trust may be held in a common fund for the account of all individuals who have an interest in the trust.

(d) (1) Except as otherwise provided in this subdivision, any amount paid or distributed out of an individual retirement account or under an individual retirement annuity shall be included in gross income by the payee or distributee, as the case may be, for the taxable year in which the payment or distribution is received. Notwithstanding any other provision of this code (including Parts 8 (commencing with Section 13301) and 9 (commencing with Section 15101)), the basis of any person in such an account or annuity is the amount of contributions not allowed as a deduction under Section 17240 or 17241 on account of the purchase of the account or annuity.

(2) Paragraph (1) does not apply to any annuity contract which meets the requirements of paragraphs (1), (3), (4), and (5) of subdivision (b) and which is distributed from an individual retirement account. Sections 17101 to 17112.7, inclusive, apply to any such annuity contract, and for purposes of Sections 17101 to 17112.7, inclusive, the investment in the contract is zero.

(3) An amount is described in this paragraph as a rollover contribution if it meets the requirements of subparagraphs (A) and (B).

(A) Paragraph (1) does not apply to any amount paid or distributed out of an individual retirement account or individual retirement annuity to the individual for whose benefit the account or annuity is maintained if—

(i) The entire amount received (including money and any other property) is paid into an individual retirement account or individual retirement annuity (other than an endowment contract) or retirement bond for the benefit of the individual not later than the 60th day after the day on which the individual receives the payment or distribution;

(ii) The entire amount received (including money and other property) represents the entire amount in the account or the entire

value of the annuity and no amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution from an employees' trust described in Section 17501 which is exempt from tax under Section 17631 (other than a trust forming part of a plan under which the individual was an employee within the meaning of Section 17502.2(a) at the time contributions were made on his behalf under the plan), or an annuity plan described in Section 17511 (other than a plan under which the individual was an employee within the meaning of Section 17502.2(a) at the time contributions were made on the individual's behalf under the plan) and any earnings on those sums and the entire amount thereof is paid into another such trust (for the benefit of that individual) or annuity plan not later than the 60th day on which the individual receives the payment or distribution; or

(iii) (I) The entire amount received (including money and other property) represents the entire interest in the account or the entire value of the annuity,

(II) No amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution from an annuity contract described in Section 17512 and any earnings on the rollover, and

(III) The entire amount thereof is paid into another annuity contract described in Section 17512 (for the benefit of that individual) not later than the 60th day after the individual receives the payment or distribution.

(B) This paragraph does not apply to any amount described in subparagraph (A) (i) received by an individual from an individual retirement account or individual retirement annuity if at any time during the one-year period ending on the day of that receipt the individual received any other amount described in that subparagraph from an individual retirement account, individual retirement annuity, or a retirement bond which was not includable in the individual's gross income because of the application of this paragraph. Clause (ii) of subparagraph (A) shall not apply to any amount paid or distributed out of an individual retirement account or an individual retirement annuity to which an amount was contributed which was treated as a rollover contribution by Section 17503(f) (or in the case of an individual retirement annuity, that section as made applicable by Section 17511(e) (2)).

(4) Paragraph (1) does not apply to the distribution of any contribution paid for a taxable year to an individual retirement account or for an individual retirement annuity to the extent that the contribution exceeds the amount allowable as a deduction under Section 17240 or 17241 if—

(A) The distribution is received on or before the day prescribed by law (including extensions of time) for filing the individual's return for the taxable year.

(B) No deduction is allowed under Section 17240 or 17241 with respect to the excess contribution, and

(C) The distribution is accompanied by the amount of net income attributable to the excess contribution. In the case of such a distribution, for purposes of Section 17071, any net income described in subparagraph (C) shall be deemed to have been earned and receivable in the taxable year in which the excess contribution is made.

(5) (A) In the case of any individual, if the aggregate contributions (other than rollover contributions) paid for any taxable year to an individual retirement account or for an individual retirement annuity do not exceed two thousand two hundred fifty dollars (\$2,250), paragraph (1) shall not apply to the distribution of any such contribution to the extent that the contribution exceeds the amount allowable as a deduction under Section 17240 or 17241 for the taxable year for which the contribution was paid—

(i) If the distribution is received after the date described in paragraph (4),

(ii) But only to the extent that no deduction has been allowed under Section 17240 or 17241 with respect to the excess contribution.

If employer contributions on behalf of the individual are paid for the taxable year to a simplified employee pension, the dollar limitation of the preceding sentence shall be increased by the lesser of the amount of such contributions or fifteen thousand dollars (\$15,000).

(B) (i) The taxpayer reasonably relies on information supplied pursuant to this part for determining the amount of a rollover contribution, but

(ii) The information was erroneous, subparagraph (A) shall be applied by increasing the dollar limit set forth therein by that portion of the excess contribution which was attributable to that information.

(6) The transfer of an individual's interest in an individual retirement account, individual retirement annuity, or retirement bond to the individual's former spouse under a divorce decree or under a written instrument incident to the divorce is not to be considered a taxable transfer made by the individual notwithstanding any other provision of this part, and that interest at the time of the transfer is to be treated as an individual retirement account of the spouse, and not of the individual. Thereafter the account, annuity, or bond for purposes of this part shall be treated as maintained for the benefit of the spouse.

(7) The payment or distribution of any contribution made in a taxable year which exceeds the amount allowable as a deduction under subdivision (a) Section 17240 or subdivision (a) 17241 shall be attributable to the earliest excess contribution made.

(e) (1) Any individual retirement account is exempt from taxation under this part unless the account has ceased to be an individual retirement account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by Section 17651 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).



(2) (A) In the case of such a plan in existence in taxable year 1975 where contributions were made pursuant to and in conformance with Section 408 or 409 of the Internal Revenue Code of 1954 as amended by the Employee Income Security Act of 1974 (P.L. 93-406), any net income attributable to the 1975 contribution shall not be includable in the gross income, for taxable year 1977 or succeeding taxable years, of the individual for whose benefit the plan was established until distributed pursuant to the provisions of the plan or by operation of law.

(B) In the case of a simplified employee pension, where contributions are also made pursuant to, and in conformance with, the provisions of Section 408(k) of the Internal Revenue Code of 1954, as amended by Public Law 97-34, the net income attributable to the nondeductible portion of the contributions shall not be includable in the gross income of the individual for whose benefit the plan was established for the taxable year or for succeeding taxable years until distributed pursuant to the provisions of the plan or by operation of law.

(C) Notwithstanding the limitations provided in Sections 17240 and 17241 with respect to the amount of deductible contributions and individuals eligible for the deduction, any income attributable to contributions made to a plan in existence in taxable years beginning on or after January 1, 1982, in conformance with Sections 219, 220, 408, and 409 of the Internal Revenue Code of 1954, as amended by P.L. 97-34, shall not be includable in the gross income of the individual for whose benefit the plan was established until distributed pursuant to the provisions of the plan or by operation of law. The Franchise Tax Board shall prescribe regulations with respect to the determination of the amount of the income included in the amount distributed or deemed distributed by operation of law which is includable in the individual's gross income in the taxable year in which the distribution is received or deemed distributed by operation of law.

(3) (A) If, during any taxable year of the individual for whose benefit any individual retirement account is established, that individual or the individual's beneficiary engages in any transaction prohibited by Section 4975 of the Internal Revenue Code of 1954 as amended by Public Law 95-596 with respect to that account, the account ceases to be an individual retirement account as of the first day of the taxable year. For purposes of this paragraph—

(i) The individual for whose benefit any account was established is treated as the creator of the account and

(ii) The separate account for any individual within an individual retirement account maintained by an employer or association of employees is treated as a separate individual retirement account.

(B) In any case in which any account ceases to be an individual retirement account by reason of subparagraph (A) as of the first day of any taxable year, paragraph (1) of subdivision (d) applies as if there were a distribution on that first day in an amount equal to the

fair market value (on that first day) of all assets in the account (on that first day).

(4) If during any taxable year the owner of an individual retirement annuity borrows any money under or by use of the contract, the contract ceases to be an individual retirement annuity as of the first day of that year. The owner shall include in gross income for the taxable year an amount equal to the fair market value of such contract as of the first day.

(5) If, during any taxable year of the individual for whose benefit an individual retirement account is established, that individual uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

(6) If the assets of an individual retirement account or any part of the assets are used to purchase an endowment contract for the benefit of the individual for whose benefit the account is established—

(A) To the extent that the amount of the assets involved in the purchase are not attributable to the purchase of life insurance, the purchase is treated as a rollover contribution described in subdivision (d) (3), and

(B) To the extent that the amount of the assets involved in the purchase are attributable to the purchase of life, health, accident, or other insurance, those amounts are treated as distributed to that individual (but subdivision (f) does not apply).

(7) Any common trust fund or common investment fund of individual retirement account assets which is exempt from taxation under this part does not cease to be exempt on account of the participation or inclusion of assets of a trust exempt from taxation under Section 17631 which is described in Section 17501.

(f) (1) If a distribution from an individual retirement account or under an individual retirement annuity to the individual for whose benefit the account or annuity was established is made before the individual attains age 59½, the individual's tax under this part for the taxable year in which the distribution is received shall be increased by an amount equal to 2.5 percent of the amount of distribution which is includable in the individual's gross income for the taxable year.

(2) If an amount is includable in gross income for a taxable year under subdivision (e) and the taxpayer has not attained age 59½ before the beginning of the taxable year, the individual's tax under this article for the taxable year shall be increased by an amount equal to 2.5 percent of the amount so required to be included in his gross income.

(3) Paragraphs (1) and (2) do not apply if the amount paid or distributed, or the disqualification of the account or annuity under subdivision (e), is attributable to the taxpayer becoming disabled within the meaning of Section 17112.5(f).

(g) This section shall be applied without regard to any community property laws.

(h) For purposes of this section, a custodial account shall be treated as a trust if the assets of the account are held by a bank (as defined in Section 17502.3(a)) or another person who demonstrates, to the satisfaction of the Franchise Tax Board, that the manner in which the person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual retirement account described in subdivision (a). For purposes of this part, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of the account shall be treated as the trustee thereof.

(i) The trustee of an individual retirement account and the issuer of an endowment contract described in subdivision (b) or an individual retirement annuity shall make the reports regarding the account, contract, or annuity to the Franchise Tax Board and to the individuals for whom the account, contract, or annuity is, or is to be, maintained with respect to contributions, distributions, and such other matters as the Franchise Tax Board may require under regulations. The reports required by this subdivision shall be filed at such time and in such manner and furnished to those individuals at such time and in such manner as may be required by those regulations.

(j) In the case of a simplified employee pension, this section shall be applied by substituting "fifteen thousand dollars (\$15,000)" or, if applicable, any higher amount referred to in subparagraph (A) of paragraph (5) of subdivision (d) for "two thousand dollars (\$2,000)" in the following provisions:

(1) Paragraph (1) of subdivision (a), and

(2) Paragraph (2) of subdivision (b).

(k) (1) For purposes of this part, "simplified employee pension" means an individual retirement account or individual retirement annuity with respect to which the requirements of paragraphs (2), (3), (4), and (5) are met.

(2) This paragraph is satisfied with respect to a simplified employee pension for a calendar year only if for such year the employer contributes to the simplified employee pension of each employee who—

(A) Has attained age 25, and

(B) Has performed service for the employer during at least three of the immediately preceding five calendar years. For purposes of this paragraph, there shall be excluded from consideration employees described in subparagraph (A) or (C) of paragraph (1) of subsection (b) of Section 410 of the Internal Revenue Code of 1954 as amended by Public Law 96-605.

(3) (A) The requirements of this paragraph are met with respect to a simplified employee pension for a calendar year if for that year the contributions made by the employer to simplified employee pensions for his employees do not discriminate in favor of any employee who is—

- (i) An officer,
- (ii) A shareholder,
- (iii) A self-employed individual, or
- (iv) Highly compensated.

(B) For purposes of subparagraph (A)—

(i) There shall be excluded from consideration employees described in subparagraph (A) or (C) of Section 410(b)(2) of the Internal Revenue Code of 1954, as amended by Public Law 96-605, and

(ii) An individual shall be considered a shareholder if the individual owns (with the application of Section 17384) more than 10 percent of the value of the stock of the employer.

(C) For purposes of subparagraph (A), employer contributions to simplified employee pensions shall be considered discriminatory unless—

(i) Contributions thereto bear a uniform relationship to the total compensation not in excess of the first two hundred thousand dollars (\$200,000) of each employee maintaining a simplified employee pension, and

(ii) If compensation in excess of one hundred thousand dollars (\$100,000) is taken into account under a simplified employee pension for an employee, contributions to a simplified employee pension on behalf of each employee for whom a contribution is required are at a rate (expressed as a percentage of compensation) not less than 7.5 percent.

(D) Except as provided in this subparagraph, employer contributions do not meet the requirements of this paragraph unless those contributions meet the requirements of this paragraph without taking into account contributions or benefits relating to tax on self-employment income, relating to Federal Insurance Contributions Act, Title II of the Social Security Act, or any other federal or state law. Taxes paid under Section 3111 of the Internal Revenue Code of 1954, as amended by Public Law 95-216 (relating to tax on employers) with respect to an employee may, for purposes of this paragraph, be taken into account as a contribution by the employer to an employee's simplified employee pension. If contributions are made to the simplified employee pension of an owner-employee, the preceding sentence shall not apply unless taxes paid by all such owner-employees under Chapter 2 of the Internal Revenue Code of 1954, as amended by Public Law 97-34, and the taxes which would be payable under Chapter 2 by the owner-employees but for paragraphs (4) and (5) of Section 1402(c) of the Internal Revenue Code of 1954, as amended by Public Law 95-600, are taken into account as contributions by the employer on behalf of the owner-employees.

(4) A simplified employee pension meets the requirements of this paragraph only if—

(A) Employer contributions thereto are not conditioned on the retention in such pension of any portion of the amount contributed,

and

(B) There is no prohibition imposed by the employer on withdrawals from the simplified employee pension.

(5) The requirements of this paragraph are met with respect to a simplified employee pension only if employer contributions to the pension are determined under a definite written allocation formula which specifies—

(A) The requirements which an employee must satisfy to share in an allocation, and

(B) The manner in which the amount allocated is computed.

(6) For purposes of this subdivision and subdivision (1)—

(A) “Employee”, “employer”, and “owner-employee” shall have the respective meanings given the terms by Section 17502.2.

(B) “Compensation” means, in the case of an employee within the meaning of Section 17502.2(a), earned income within the meaning of Section 17502.2(b).

(1) An employer who makes a contribution on behalf of an employee to a simplified employee pension shall provide such simplified reports with respect to such contributions as the Franchise Tax Board may require by regulations. The reports required by this subdivision shall be filed at such time and in such manner, and information with respect to such contributions shall be furnished to the employee at such time and in such manner, as may be required by regulations.

(m) (1) The acquisition by an individual retirement account or by an individually directed account under a plan described in Section 17501 (a) of any collectible shall be treated (for purposes of this section and Section 17503) as distribution from that account in an amount equal to the cost to that account of that collectible.

(2) For purposes of this subdivision, “collectible” means—

(A) Any work of art,

(B) Any rug or antique,

(C) Any metal or gem,

(D) Any stamp or coin,

(E) Any alcoholic beverage, or

(F) Any other tangible personal property specified by the Franchise Tax Board for purposes of this subdivision.

(3) This subdivision shall apply to property acquired after December 31, 1981, in taxable years ending after that date.

(n) The amendments made to this section by the act adding this subdivision shall apply to taxable years beginning after December 31, 1981.

SEC. 151. Section 19356 is added to the Revenue and Taxation Code, to read:

19356. (a) The Tax Relief and Refund Account is hereby created in the General Fund and is continuously appropriated to the Franchise Tax Board for purposes of making all payments as provided in this section.

(b) Notwithstanding any other provision of law, all payments

required to be made to taxpayers or other persons from the Personal Income Tax Fund shall be paid from the Tax Relief and Refund Account.

(c) The Controller shall transfer, as needed, to the Tax Relief and Refund Account:

(1) From the unexpended balance of the appropriation made by Item 375 of Chapter 219 of the Statutes of 1977, an amount determined by the Franchise Tax Board to be equivalent to the total amount of renters' assistance credits and refunds allowed under Section 17053.5.

(2) From the disability fund, the amount transferable to the General Fund pursuant to subdivision (a) of Section 1176.5 of the Unemployment Insurance Code.

(3) From the Personal Income Tax Fund, such additional amounts as determined by the Franchise Tax Board to be necessary to make the payments required under this section.

SEC. 152. Section 23603 of the Revenue and Taxation Code, as added by Chapter 1559 of the Statutes of 1982, is amended and renumbered to read:

23606. (a) There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) an amount equal to 25 percent of the fair market value of qualified charitable contributions, not to exceed the basis of the property contributed.

(b) For purposes of this section, "qualified charitable contribution" means a charitable contribution of tangible personal property described in paragraph (1) of Section 1221 of the Internal Revenue Code of 1954, but only if all of the following conditions are met:

(1) The contribution is to an educational organization which is described in subsection (b) (1) (A) (ii) of Section 170 of the Internal Revenue Code of 1954 and which is not an institution of higher education (as defined in Section 3304(f) of the Internal Revenue Code of 1954) in this state.

(2) The contribution is made not later than one year after the date the construction of the property is substantially completed.

(3) The original use of the property is by the donee.

(4) The property is a computer, scientific equipment, or apparatus all of the use of which by the donee is directly in the education of students of this state.

(5) The property is not transferred by the donee in exchange for money, other property, or services.

(6) The taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with these provisions.

(7) The property has the approval of the donee.

(8) The contribution is made on or after January 1, 1983, and on or before June 30, 1984.

(c) The credit shall be in lieu of any deduction under this part to

which the taxpayer otherwise may be entitled, if any.

(d) In the case of a taxpayer whose credits exceed its tax liability computed under this part (except the minimum franchise tax and the tax on preference income) for the income year, the taxpayer shall be allowed a credit to the extent of that tax liability. At the election of the taxpayer, that portion of the credit which exceeds the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) may be carried over to the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) in succeeding income years, with respect to which this section shall remain in effect for purposes of carrying over excess credit, until the credit is used. The credit shall be applied first to the earliest income years possible.

(e) The credit shall be claimed on tax returns filed on or after July 1, 1983.

(f) The Franchise Tax Board shall prescribe regulations as may be necessary to carry out the purposes of this section.

SEC. 153. Section 25951 of the Revenue and Taxation Code is amended to read:

25951. In case of any underpayment of estimated tax, except as provided in Section 25954, there shall be added to the tax for the income year an amount determined at the adjusted annual rate established pursuant to Section 19269 upon the amount of underpayment (determined under Section 25952) for the period of the underpayment (determined under Section 25953).

SEC. 154. Section 26132 of the Revenue and Taxation Code is amended to read:

26132. The Franchise Tax Board may by notice, served personally or by first-class mail, require any bank, corporation, or person, and any officer or department of the state or any political subdivision or agency of the state, or any city organized under a freeholder's charter, or any political body not a subdivision or agency of the state, having in their possession, or under their control, any credits or other personal property or other things of value, belonging to a taxpayer to withhold, from the credits or other property the amount of any tax, interest or penalties due from the taxpayer or the amount of any liability incurred by that person for failure to withhold and transmit amounts due from a taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at such times as it may designate. However, in the case of a depository institution, as defined in Section 19(b) of the Federal Reserve Act (12 U.S.C.A. Sec. 461 (b) (1) (A)), amounts due from a taxpayer under this part shall be transmitted to the Franchise Tax Board not less than 10 business days from receipt of the notice. To be effective, the notice shall state the amount due from the taxpayer and shall be delivered or mailed to the branch or office where the credits or other property is held, unless another branch or office is designated by the bank, corporation, person, officer or department of the state, political subdivision or agency of the state, city organized under a freeholder's

charter, or a political body not a subdivision or agency of the state. Any bank, corporation, or person failing to withhold the amounts due from any taxpayer and transmit them to the Franchise Tax Board after service of the notice shall be liable for those amounts.

SEC. 155. Section 188.8 of the Streets and Highways Code is amended to read:

188.8. From the money expended pursuant to Section 188, the commission shall allocate and the department shall expend, or cause to be expended, in each county of County Group No. 1 and in each county of County Group No. 2 during the period commencing July 1, 1983, and ending June 30, 1988, and for each period of five years thereafter, not less than an amount computed as follows:

(a) The commission shall compute, for each period of five years, an amount equal to 70 percent of the money to be expended in County Groups Nos. 1 and 2, respectively, as provided in Section 188.

(b) From the amount computed for County Group No. 1 in subdivision (a) for each five-year period, the commission shall determine the minimum expenditure for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 1 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 1.

(c) From the amount computed for County Group No. 2 in subdivision (a) for each five-year period, the commission shall determine the minimum expenditure for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 2 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 2.

(d) A county board of supervisors may adopt a resolution to pool its county minimum expenditure with adjacent counties adopting similar resolutions. The resolution shall provide for pooling the county minimum expenditures for expenditure in any of the pooling counties for a five-year period and shall be submitted to the commission not later than May 1 immediately preceding the commencement of the five-year period.

(e) Except as provided in this subdivision, the entire obligation under a contract awarded or a day labor project commenced during any of the periods shall be deemed an expenditure within the period in which the contract was awarded or day labor project commenced. Obligations under contracts which have been awarded or day labor projects which have been commenced, but which are to be budgeted over more than one fiscal year pursuant to Section 170, shall be deemed expenditures in each of the fiscal years in which the work is to be performed in an amount equal to the final amount budgeted for each of the fiscal years for the work.

(f) For the purpose of this section, the population in each county is that determined by the last preceding federal census, or a subsequent census validated by the Population Research Unit of the



Department of Finance, at the beginning of each five-year period.

(g) For the purpose of this section, "state highway miles," means the miles of state highways open to vehicular traffic at the beginning of each five-year period.

(h) Notwithstanding subdivisions (a), (b), and (c), the commission shall program and allocate funds for projects that were included in the 1980 state transportation improvement program. This subdivision shall be limited to projects, as defined in the 1980 state transportation improvement program, and shall provide for inflationary cost increases, but shall not provide for cost increases which are caused by any change in the scope or nature of the project. This subdivision shall not apply to projects that cannot proceed due to changes in federal law or other causes beyond the commission's and department's authority. During the five-year period beginning July 1, 1983, the commission may deviate from subdivisions (a), (b), and (c) for the purpose of meeting the requirements of this subdivision, but shall make a reasonable effort to comply with subdivisions (a), (b), and (c).

SEC. 156. Section 680 of the Streets and Highways Code is amended to read:

680. Whenever a franchise is granted by any county or city in any public highway which has been or is subsequently constituted a state highway, the department may enforce any obligations of the grantee or holder of the franchise with respect to the repair of the highway. The department may require any person who has placed and maintained any pole, pole line, pipe, pipeline, conduit, street railroad tracks, or other structures or facilities upon any state highway, whether under that or any franchise, to move it at his or her own cost and expense to such different location in the highway as is specified in a written demand of the department, whenever necessary to insure the safety of the traveling public or to permit the improvement of the highway. However, no such change of location shall be required for a temporary purpose. The department shall specify in the demand a reasonable time within which the work of relocation shall be commenced and the grantee or owner shall commence the relocation within the time specified in the demand and thereafter diligently prosecute it to completion.

In case the owner fails to comply with any such demand, the encroachments specified in the demand become subject to Article 3 (commencing with Section 720), except that no further notice is required.

SEC. 157. Section 701 of the Streets and Highways Code is amended to read:

701. This article is limited to state highways which are or shall become freeways. Article 2 (commencing with Section 670), except as inconsistent with this article, applies to freeways.

SEC. 158. Section 724 of the Streets and Highways Code is amended to read:

724. Unless the encroachment is authorized under Article 2

(commencing with Section 670), any person owning, controlling, or placing, or causing or suffering to exist, any encroachment within any state highway after the service upon that person of the notice, in the manner provided in Section 720, is, in addition to any civil liability therefor, guilty of a misdemeanor.

SEC. 159. Section 625 of the Vehicle Code is amended to read:

625. A "traffic officer" is any member of the California Highway Patrol, or any peace officer who is on duty for the exclusive or main purpose of enforcing Division 10 (commencing with Section 20000) or 11 (commencing with Section 21000).

SEC. 160. Section 3061 of the Vehicle Code is amended to read:

3061. In determining whether good cause has been established for modifying, replacing, terminating, or refusing to continue a franchise, the board shall take into consideration the existing circumstances, including, but not limited to, all of the following:

(a) Amount of business transacted by the franchisee, as compared to the business available to the franchisee.

(b) Investment necessarily made and obligations incurred by the franchisee to perform its part of the franchise.

(c) Permanency of the investment.

(d) Whether it is injurious or beneficial to the public welfare for the franchise to be modified or replaced or the business of the franchisee disrupted.

(e) Whether the franchisee has adequate motor vehicle sales and service facilities, equipment, vehicle parts, and qualified service personnel to reasonably provide for the needs of the consumers for the motor vehicles handled by the franchisee and has been and is rendering adequate services to the public.

(f) Whether the franchisee fails to fulfill the warranty obligations of the franchisor to be performed by the franchisee.

(g) Extent of franchisee's failure to comply with the terms of the franchise.

SEC. 161. Section 3063 of the Vehicle Code is amended to read:

3063. In determining whether good cause has been established for not entering into or relocating an additional franchise for the same line-make, the board shall take into consideration the existing circumstances, including, but not limited to, all of the following:

(a) Permanency of the investment.

(b) Effect on the retail motor vehicle business and the consuming public in the relevant market area.

(c) Whether it is injurious to the public welfare for an additional franchise to be established.

(d) Whether the franchisees of the same line-make in that relevant market area are providing adequate competition and convenient consumer care for the motor vehicles of the line-make in the market area which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of vehicle parts, and qualified service personnel.

(e) Whether the establishment of an additional franchise would

increase competition and therefore be in the public interest.

SEC. 162. Section 4460 of the Vehicle Code is amended to read:

4460. The Department of Motor Vehicles, the Traffic Adjudication Board, and the Department of the California Highway Patrol or any regularly employed and salaried police officer or deputy sheriff may take possession of any certificate, card, placard, permit, license, or license plate issued under this code, upon expiration, revocation, cancellation, or suspension thereof or which is fictitious or which has been unlawfully or erroneously issued. Any license plate which is not attached to the vehicle for which issued, when and in the manner required under this code, may be seized, and attachment to the proper vehicle may be made or required.

Any such document, placard, or license plate seized shall be delivered to the Department of Motor Vehicles.

SEC. 163. Section 4601 of the Vehicle Code is amended to read:

4601. Except as otherwise provided in this code, every vehicle registration and registration card expires at midnight on the expiration date designated by the director pursuant to Section 1651.5, and shall be renewed prior to the expiration of the registration year. The department may, upon payment of the proper fees, renew the registration of vehicles.

SEC. 164. Section 4602 of the Vehicle Code is amended to read:

4602. Application for renewal of a vehicle registration shall be made by the owner not later than midnight of the expiration date, and shall be made by presentation of the registration card last issued for the vehicle or by presentation of a potential registration card issued by the department for use at the time of renewal and by payment of the full registration year fee for the vehicle as provided in this code.

SEC. 165. Section 9102.5 of the Vehicle Code is amended to read:

9102.5. (a) In lieu of all other fees which are specified in this code, except fees for duplicate plates, certificates, or cards, a fee of ten dollars (\$10) shall be paid for the registration and licensing of any privately owned schoolbus, as defined in Section 545, which is either of the following:

(1) Owned by a private nonprofit educational organization and operated in accordance with the rules and regulations of the Department of Education and the Department of the California Highway Patrol exclusively in transporting school pupils, or school pupils and employees, of the private nonprofit educational organization.

(2) Operated in accordance with the rules and regulations of the Department of Education and the Department of the California Highway Patrol exclusively in transporting school pupils, or school pupils and employees, of any public school or private nonprofit educational organization pursuant to a contract between a public school district or nonprofit educational organization and the owner or operator of the schoolbus.

This section does not apply to any schoolbus which is operated

pursuant to any contract which requires the public school district or nonprofit educational organization to pay any amount representing the costs of registration and weight fees unless and until the contract is amended to require only the payment of an amount representing the fee required by this section.

(b) When a schoolbus under contract and registered pursuant to subdivision (a) is to be temporarily operated in such a manner that it becomes subject to full registration fees specified in this code, the owner may, prior to such operation, as an alternative to such full registration, secure a temporary permit to operate the vehicle in this state for any one or more calendar months. The permit shall be posted upon the windshield or other prominent place upon the vehicle, and shall identify the vehicle to which it is affixed. When so affixed, the permit shall serve as indicia of full registration for the period designated thereon. Upon payment of the fees specified in Section 9266.5, the department may issue a temporary permit under this section.

(c) Notwithstanding any other provision, any schoolbus used exclusively to transport students at or below the 12th-grade level to or from any school, education-related purpose, or activity sponsored by a nonprofit organization shall be deemed to be a schoolbus for the purposes of this section and shall pay a fee of ten dollars (\$10) in lieu of all other fees which are specified in this code, except fees for duplicate plates, certificates, or cards.

SEC. 166. Section 9706 of the Vehicle Code is amended to read:

9706. (a) Application for partial year registration in conjunction with an application for original California registration shall be made by the owner within 20 days of the date the vehicle first becomes subject to California registration. Any application for partial year registration submitted after that 20-day period shall not be registered for a partial year, and the vehicle shall be subject to payment of the fees for the entire registration year. In addition to the fee for the registration year, a penalty, as specified in Section 9554, shall be added to the fee for registration.

(b) Any application to renew registration for a part of the remainder of the registration year, or for the entire remainder of the registration year, shall be made prior to midnight of the expiration date of the last issued registration certificate. Application shall be made upon presentation of the last issued registration card, or of a potential registration issued by the department for use at the time of renewal and by payment of the proper partial year fees, or, if renewal, is for the remainder of the registration year, by payment of the annual fee provided by Section 9400, as reduced pursuant to Section 9407. Any application submitted after the expiration date of the last issued registration certificate which is not accompanied by a certificate of nonoperation, as provided in Section 9708, shall be refused partial year registration and shall be subject to payment of the full fees for the registration year or remainder thereof. In addition to the fee for the registration year or remainder thereof, a

penalty, as specified in Section 9554, shall be added to the fee for renewal of registration.

(c) In order to obtain partial year registration or renewal of partial year registration for a period of less than three months, application shall be made prior to the date the vehicle is first operated, moved, or left standing on the highways. Partial year registration or renewal of partial year registration may be obtained for a minimum of three months when application is made after, but within 20 days of, the date the vehicle is first operated, moved, or left standing on the highways.

SEC. 167. Section 9853.4 of the Vehicle Code is amended to read:

9853.4. The department may issue one or more stickers, tabs, or other suitable devices to identify vessels as being currently registered. The size, shape, and color of the sticker, tab, or other device and the positioning of the sticker, tab, or other device on the vessel shall be as determined by the department after consultation with the Department of Boating and Waterways, such consultation to consider the responsibilities and duties of the Department of Boating and Waterways as prescribed in the Harbors and Navigation Code.

SEC. 168. Section 11520 of the Vehicle Code is amended to read:

11520. (a) A licensed automobile dismantler who acquired, for the purpose of dismantling, actual possession, as a transferee, of a vehicle of a type subject to registration under this code shall do all of the following:

(1) Within five calendar days, not including the day of acquisition, mail a notice of acquisition to the department at its headquarters.

(2) Within five calendar days, not including the day of acquisition, mail a copy of the notice of acquisition to the Department of Justice at its headquarters.

(3) Not begin dismantling until 10 calendar days have elapsed after mailing the notice of acquisition. In the alternative, dismantling may begin any time after the dismantler complies with paragraph (4).

(4) Deliver to the department, within 90 calendar days of the date of acquisition, the documents evidencing ownership and the license plates last issued for the vehicle. Proof that a registered or certified letter of demand for the documents was sent within 90 days of the date of acquisition to the person from whom the vehicle was acquired may be substituted for documents that cannot otherwise be obtained. A certificate of license plate destruction, when authorized by the director, may be delivered in lieu of the license plates.

(5) Maintain a business record of all vehicles acquired for dismantling. The record shall contain the name and address of the person from whom the vehicle was acquired; the date the vehicle was acquired; the license plate number last assigned to the vehicle; and a brief description of the vehicle, including its make, type, and the vehicle identification number used for registration purposes. The record required by this subdivision shall be a business record of the

dismantler separate and distinct from the records maintained in those books and forms furnished by the department.

(b) Paragraphs (1) and (2) of subdivision (a), do not apply to vehicles acquired pursuant to Section 11515 or 22851.2 of this code or Section 3071, 3072, or 3073 of the Civil Code.

(c) Any person, other than a licensed dismantler, desiring to dismantle a vehicle of a type subject to registration under this code shall deliver to the department the certificate of ownership, registration card, and the license plates last issued to the vehicle before dismantling may begin.

(d) Any person who violates this section is guilty of a misdemeanor. Any person not licensed under this chapter who is convicted under this section shall be punished upon a first conviction by imprisonment in the county jail for not less than five days or more than six months or by a fine of not less than fifty dollars (\$50) nor more than five hundred dollars (\$500) or by both such fine and imprisonment; and upon a second or any subsequent conviction, by imprisonment in the county jail for not less than 30 days nor more than one year or by a fine of not less than two hundred fifty dollars (\$250) nor more than one thousand dollars (\$1,000) or by both such fine and imprisonment.

SEC. 169. Section 23181 of the Vehicle Code is amended to read:

23181. (a) If the court grants probation to any person punished under Section 23180, in addition to the provisions of Section 23206 and any other terms and conditions imposed by the court, the court shall impose as a condition of probation that the person be confined in the county jail for at least five days but not more than one year and pay a fine of at least three hundred ninety dollars (\$390) but not more than one thousand dollars (\$1,000). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (2) of subdivision (a) of Section 13352.

(b) In any county where the county alcohol program administrator has certified, and the board of supervisors has approved, such a program or programs, the court shall also impose as a condition of probation that the driver shall participate in, and successfully complete, an alcohol or drug education program, as designated by the court.

(c) Each county which has approved and certified an alcohol or drug education program or programs shall make provision for persons who cannot afford the program fee, in order to enable those persons to participate.

(d) In order to assure effectiveness of the alcohol or drug education program, the county shall provide, as appropriate, services to ethnic minorities, women, youth, or any other group that has particular needs related to the program.

SEC. 170. Section 25108 of the Vehicle Code is amended to read:

25108. (a) Any motor vehicle may be equipped with not more than two amber turn signal pilot indicators mounted on the exterior.

The light output from any such indicator shall not exceed five candlepower unless provision is made for operating the indicator at reduced intensity during darkness in which event the light output shall not exceed five candlepower during darkness or 15 candlepower at any other time. The center of the beam shall be projected toward the driver.

(b) Any vehicle may be equipped with pilot indicators visible from the front to monitor the functioning or condition of parts essential to the operation of the vehicle or of equipment attached to the vehicle which is necessary for protection of the cargo or load. The pilot indicators shall be steady burning, having a projected lighted lens area of not more than three-quarters of a square inch and have a light output of no more than five candlepower. The pilot indicator may be of any color except red.

(c) Other exterior pilot indicators of any color may be used for monitoring exterior lighting devices, provided that the area of each indicator is less than 0.20 square inch, the intensity of each indicator does not exceed 0.10 candlepower, and the color red is not visible to the front.

SEC. 171. Section 27909 of the Vehicle Code is amended to read:

27909. Any vehicle which carries liquefied petroleum gas fuel or natural gas, in a tank attached to a vehicle, in any concealed area, including trunks, compartments, or under the vehicle, shall display on the exterior of the vehicle the letters "CNG," "LNG," or "LPG," whichever type fuel is utilized, in block letters at least one inch high. The letters shall be of contrasting color and shall be placed as near as possible to the area of the location of the tank. Any vehicle fueled by liquefied petroleum gas fuel or by natural gas may also comply with this section by displaying on each side of the vehicle words or letters at least 0.25 inch high indicating that the vehicle is fueled by liquefied petroleum gas or natural gas. It is unlawful to dispense liquefied petroleum gas fuel or natural gas into any tank in a concealed area of any vehicle registered in California, unless the vehicle complies with the requirements of this section.

SEC. 172. Section 34501.5 of the Vehicle Code is amended to read:

34501.5. The Department of the California Highway Patrol shall adopt reasonable rules and regulations which, in the judgment of the department, are designed to promote the safe operation of vehicles described in Sections 39830 and 82321 of the Education Code and Sections 545 and 34500 of this code. The Commissioner of the California Highway Patrol shall appoint a committee of nine members to act in an advisory capacity when developing and adopting regulations affecting schoolbuses and schoolbus operations. The advisory member committee shall consist of nine members appointed as follows:

- (a) One member of the State Department of Education.
- (b) One member of the Department of Motor Vehicles.
- (c) One member of the Department of the California Highway Patrol.

- (d) One member who is employed as a schoolbus driver.
- (e) One member of the Office of Traffic Safety in the Business, Transportation and Housing Agency.

(f) Two members who are schoolbus contractors, one which shall be from an urban area of the state and one which shall be from a rural area of the state, as determined by the department.

(g) Two members who are representatives of school districts, one which shall be from an urban area of the state and one which shall be from a rural area of the state, as determined by the department.

The department shall cooperate and confer with the advisory committee appointed pursuant to this section prior to adopting rules or regulations affecting schoolbuses and schoolbus operations.

SEC. 173. Section 40000.7 of the Vehicle Code is amended to read:

40000.7. A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

- (a) Section 2416, relating to regulations for emergency vehicles.
- (b) Section 2800, relating to failure to obey an officer's lawful order or submit to a lawful inspection.
- (c) Section 2800.1, relating to fleeing from a peace officer.
- (d) Section 2801, relating to failure to obey a fireman's lawful order.
- (e) Section 2803, relating to unlawful vehicle or load.
- (f) Section 2813, relating to stopping for inspection.
- (g) Subdivision (b) of Section 4461 and subdivisions (b) and (c) of Section 4463, relating to disabled person placards.
- (h) Section 5753, relating to delivery of certificates of ownership and registration when committed by a dealer or any person while a dealer within the preceding 12 months.
- (i) Section 5901, relating to dealers and lessor-retailers giving notice.
- (j) Section 5901.1, relating to lessors giving notice and failure to pay fee.
- (k) Section 8802, relating to the return of canceled, suspended, or revoked certificates of ownership, registration cards, or license plates, when committed by any person with intent to defraud.
- (l) Section 8803, relating to return of canceled, suspended, or revoked documents and license plates of a dealer, manufacturer, transporter, dismantler, or salesman.

SEC. 174. Section 127 of the Water Code is amended to read:

127. The department may employ legal counsel who shall advise the director, represent the department in connection with legal matters before other boards and agencies of the state, and may, when authorized by the Attorney General, represent the department and the state in litigation concerning affairs of the department. In any event, the legal counsel of the department may, with the approval of the director and with the consent of the court before which the action is pending, present to the court the views of the department with respect to the action. Sections 955.4, 955.6, 11041, 11042, 11043, and the first sentence of Section 11157 of the Government Code do



not apply to the department.

SEC. 175. Section 259 of the Water Code is amended to read:

259. When the department condemns the property of any common carrier railroad, other public utility, or state agency, or the appurtenances thereof, it shall be governed by Article 3 (commencing with Section 11590) of Chapter 6 of Part 3 of Division 6.

SEC. 176. Section 2782 of the Water Code is amended to read:

2782. After expiration of the time fixed by the court for filing contests, the court shall proceed to hear and determine the exception and proof of intervenor and any contest thereto in accordance as near as may be with Article 9 (commencing with Section 2750).

SEC. 177. Section 1722 of the Welfare and Institutions Code is amended to read:

1722. (a) Any rules and regulations, including any resolutions and policy statements, promulgated by the Youthful Offender Parole Board, shall be promulgated and filed pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(b) The board shall maintain, publish, and make available to the general public, a compendium of its rules and regulations, including any resolutions and policy statements, promulgated pursuant to this section.

(c) The following exception to the procedures specified in this section shall apply to the board: The chairperson may specify an effective date that is any time more than 30 days after the rule or regulation is filed with the Secretary of State; provided that no less than 20 days prior to that effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

SEC. 178. Section 16712 of the Welfare and Institutions Code is amended to read:

16712. The State Department of Health Services shall adopt any regulations necessary to implement this part. The department may adopt these regulations on an emergency basis pursuant to Article 5 (commencing with Section 11346) of Chapter 3.5 of Division 3 of Title 2 of the Government Code, based on the finding by the department that these regulations are necessary to assure that local jurisdictions receive funding for health services on a timely basis in order to promote and protect the health and safety of the people of California.

SEC. 179. Section 3 of Chapter 61 of the Statutes of 1978, as amended by Chapter 1055 of the Statutes of 1979, is repealed.

SEC. 180. The repeal, by Section 179 of this act, of Section 3 of Chapter 61 of the Statutes of 1978, as amended by Chapter 1055 of the Statutes of 1979, shall not become operative if Section 19356 of

the Revenue and Taxation Code, as added by Section 151 of this act, does not become operative or Chapter 22 (commencing with Section 19351) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed during the 1982 calendar year.

SEC. 181. Any section of any act enacted by the Legislature during the 1983 calendar year, which takes effect on or before January 1, 1984, and which amends, amends and renumbers, adds, repeals and adds, or repeals a section amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to or subsequent to this act.

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## CHAPTER 143

An act to amend Section 2902 of the Business and Professions Code, to amend Section 2080.9 of the Civil Code, to amend Sections 8080, 8081, 8084, 10000, 10001, 10003, 10101, 10103, 10105, 12090, 22509, 23918, 23921, 32220, 32221, 32320, 33031, 33113, 33115, 39363.5, 44212, 44315, 44521, 44522, 44525, 44528, 44529, 44531, 44534, 44574, 44585, 44857, 52342, 54405, 54632, 59006, 59143, 59211, 60313, 66010, 66011, 66016, 66102, 66202, 66203, 66300, 66500, 66601, 66605, 66606, 66607, 66609, 66901, 66903.1, 66904, 67003, 67124, 67146, 68011, 68012, 68022, 68040, 68121, 68123, 68124, 68133, 69271, 69534.3, 69620, 69621, 69622, 69624, 69625, 69626, 69627, 70022, 78001, 81363.5, 84500, 87463, 89001, 89004, 89006, 89030, 89031, 89032, 89033, 89034, 89036, 89037, 89038, 89040, 89041, 89044, 89045, 89046, 89047, 89060, 89063, 89064, 89080, 89082, 89084, 89200, 89210, 89211, 89222, 89230, 89301, 89302, 89304, 89330, 89333, 89400, 89502, 89503, 89508, 89515, 89520, 89530, 89542.5, 89545, 89550, 89552, 89560, 89561, 89701, 89702, 89703, 89704, 89706, 89707, 89708, 89710, 89722, 89723, 89724, 89725, 89750, 89753, 89756, 89758, 89901, 89902, 89903, 89905, 90002, 90011, 90073, 90074, 90075, 90077, 90078, 90100, 90101, 90126, 90400, 90401, 90420, 90510, and 94302 of, to amend the heading of Article 4 (commencing with Section 37050) of Chapter 1 of Part 22 of, to amend the heading of Chapter 8 (commencing with Section 66600) of Part 40 of, to amend the heading of Article 7 (commencing with Section 69620) of Chapter 2 of Part 42 of, to amend the heading of Division 8 (commencing with Section 89000) of, to amend the heading of Part 55 (commencing with Section 89000) of, and to amend the heading of Article 3 (commencing with Section 89560) of Chapter 5 of Part 55 of, the Education Code, to amend Section 12041 of the Food and Agricultural Code, to amend Sections 7.6, 3202, 3560, 3561, 3562, 3569.5, 3572, 3586, 3592, 4451, 4475, 8832, 11121.5, 11126, 14903, 15854.5, 15861, 16304.6a, 16315, 20023.4, 20023.5, 20815, 22816.5, 50330, and 50330.4 of the Government Code, to amend Section 551 of the Health and Safety Code, to amend Section 10203.1 of the Insurance Code, to amend Section 1720.3 of the Labor Code, to amend Sections 602.10,

626, 626.2, 626.4, 626.6, 626.9, 626.11, 1463.5a, 13507, 13510.5, and 13522 of the Penal Code, to amend Sections 6217 and 30119 of the Public Resources Code, to amend Section 6404 of the Revenue and Taxation Code, to amend Sections 135 and 12004 of the Unemployment Insurance Code, and to amend Section 22855 of the Vehicle Code, relating to the California State University.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2902 of the Business and Professions Code is amended to read:

2902. As used in this chapter, unless the context clearly requires otherwise and except as in this chapter expressly otherwise provided:

(a) "Licensed psychologist" means an individual to whom a license has been issued pursuant to the provisions of this chapter, and which license is in force and has not been suspended or revoked.

(b) "Board" means the Division of Allied Health Professions of the Board of Medical Quality Assurance. "Committee" means the Psychology Examining Committee.

(c) A person represents himself or herself to be a psychologist when the person holds himself or herself out to the public by any title or description of services incorporating the words "psychology," "psychological," "psychologist," "psychometry," "psychometrics" or "psychometrist," "psychotherapy," "psychotherapist," "psychoanalysis," "psychoanalyst" or when the person holds himself or herself out to be trained, experienced, or an expert in the field of psychology.

(d) "Accredited," as used with reference to academic institutions, means the University of California, the California State University, an institution accredited under the provisions of subdivision (a) of Section 94310 of the Education Code, or an institution located in another state which is accredited by a national or an applicable regional accrediting agency recognized by the United States Department of Education.

(e) "Approved," as used with reference to academic institutions, means approved under the provisions of subdivision (b) of Section 94310 of the Education Code.

SEC. 2. Section 2080.9 of the Civil Code is amended to read:

2080.9. The Trustees of the California State University may provide by resolution or regulation for the care, restitution, sale, or destruction of unclaimed, lost, or abandoned property in the possession of any state university. Any resolution or regulation adopted pursuant to this section shall include therein (1) that such unclaimed or lost property shall be held by the particular state university for a period of at least six months, (2) that thereafter such property, as well as abandoned property, will be sold at public

auction to the highest bidder, and (3) that notice of such sale shall be given by the Trustees of the California State University at least five days before the time therefor by publication once in a newspaper of general circulation published in the county in which such property is held. The Trustees of the California State University may dispose of any such property upon which no bid is made at any such sale.

SEC. 3. Section 8080 of the Education Code is amended to read: 8080. For purposes of this chapter, the determination of definite need shall be established by the appropriate body as follows:

(a) The determination of need for a regional occupational center shall be established by the governing body of the agency maintaining the center.

(b) The determination of need for a high school shall be established by the governing body of the district maintaining the high school.

(c) The determination of need for a community college shall be established by the governing body of the district maintaining the community college.

(d) The determination of need for a state university shall be established by the Trustees of the California State University.

SEC. 4. Section 8081 of the Education Code is amended to read: 8081. No programs, courses, classes, or instruction in cosmetology, as defined by Section 7321 of the Business and Professions Code, shall be initiated or expanded by any regional occupational center, high school, public community college, or campus of the California State University unless and until a determination has been made, by the appropriate body pursuant to Section 8080, that a definite need exists for the initiation or expansion of such instruction and that existing private institutions offering the same or similar instruction are not adequately meeting that need.

SEC. 5. Section 8084 of the Education Code is amended to read:

8084. The appropriate body, as referred to in Section 8080, shall report its findings at a public meeting within 90 days from the date of being notified by a regional occupational center, high school, community college, or campus of the California State University of its intent to initiate or expand its teaching of cosmetology.

SEC. 6. Section 10000 of the Education Code is amended to read:

10000. Notwithstanding any other provision of law, the Trustees of the California State University and any school district or community college district may enter into an agreement for the exchange of personnel between the state university and the district.

Nothing in this chapter shall be construed to limit the present authority of the parties, which exists by law, to participate in other agreements concerning the exchange, transfer, or temporary assignment of personnel.

SEC. 7. Section 10001 of the Education Code is amended to read:

10001. An agreement authorized by Section 10000 shall provide that an employee of the California State University engaged in

teacher training may assume the duties of one of the certificated employees of the district engaged in classroom teaching, and that the certificated employee of the district may assume the duties of the state university employee engaged in teacher training.

SEC. 8. Section 10003 of the Education Code is amended to read:

10003. During such time as an employee has assumed duties in another entity, pursuant to this chapter, he or she shall continue to be an employee of the California State University, the school district, or the community college district, as the case may be, for all purposes, including, but not limited to, salary, membership in a retirement system, tenure rights, and all other incidents of employment.

SEC. 9. Section 10101 of the Education Code is amended to read:

10101. The Commission on Teacher Credentialing shall develop, on or before January 15th of each year, a status report on local, state, and federally funded bilingual-crosscultural teacher preparation programs. The report shall be made to the Legislature not later than February 15th of each year. The Board of Governors of the California Community Colleges, the Trustees of the California State University, and the Regents of the University of California shall, by November 15 of each year, report to the Commission on Teacher Credentialing with reference to their programs in bilingual-crosscultural teacher training. The report shall include, but not be limited to, information on special classes or programs leading to a certificate of competence for bilingual-crosscultural instruction, preservice or in-service programs offered by these institutions to bilingual-crosscultural teachers or teacher aides, the number of persons enrolled in the programs, and any other relevant data requested by the Commission on Teacher Credentialing.

SEC. 10. Section 10103 of the Education Code is amended to read:

10103. The Commission on Teacher Credentialing shall, with the assistance of a representative appointed by the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, the Chancellor of the California State University, the President of the University of California, and with five presently practicing teachers appointed by the Superintendent of Public Instruction, design a comprehensive language and culture curriculum for teachers who are already certificated. The curriculum shall be designed to enable teachers to qualify for the bilingual-crosscultural certificate of competence authorized pursuant to Section 44253.5. Initial programs to assist in the development of this shall be offered at not less than five public institutions of higher education in California, beginning not later than September 1, 1977.

SEC. 11. Section 10105 of the Education Code is amended to read:

10105. The Board of Governors of the California Community Colleges and the Trustees of the California State University shall, within their respective systems, establish a policy of recruitment and appointment of professors of bilingual-crosscultural education.

SEC. 12. Section 12090 of the Education Code is amended to read:  
12090. Subject to the provisions of this article, the State Department of Education acting by and through the Director of Education is hereby authorized to enter into an agreement, or agreements, with the Veterans Administration, or any other agency of the federal government, for the education of veterans in any of the schools of the public school system, except the California State University. The contract shall provide for the payment to the schools through the State Department of Education or otherwise of the maximum amount permitted by the act, or acts, of Congress under which the agreement, or agreements, is entered into by the Veterans Administration, or any other agency of the federal government.

SEC. 13. Section 22509 of the Education Code is amended to read:  
22509. Members who on January 1, 1976, are in state service positions according to former Section 13948 as it read on December 31, 1975, or who are employees of the Trustees of the California State University, may elect in writing prior to July 1, 1976, not to continue as members of this system and to transfer membership to the Public Employees' Retirement System. Failure to execute and file the election, which shall be received in the office of this system by the close of business on June 30, 1976, shall be deemed a decision to remain as a member of this system.

SEC. 14. Section 23918 of the Education Code is amended to read:  
23918. Any retirant whose last employment was in the California State University, as a member of this system or the Public Employees' Retirement System, may serve as a member of the teaching staff of the California State University and shall be subject to the employment limitations as provided by the Public Employees' Retirement Law (Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code).

SEC. 15. Section 23921 of the Education Code is amended to read:  
23921. Upon retaining the services of a retirant as an employee under the provisions of Section 23918 or 23919, the school district, community college district, county superintendent of schools, California State University, or other employing agency shall do both of the following:

(a) Advise the retirant of the earnings limitation set forth in Sections 23918 and 23919.

(b) Maintain accurate records of the retirant's earnings and report those earnings monthly to the system and the retirant regardless of the method of payment or the fund from which the payments were made.

This section shall not be construed to make any school district, community college district, county superintendent of schools, the California State University, or other employing agency liable for any amount paid to the retirant in excess of the earnings limitation under any circumstance, including the failure to inform the retirant that continuation of service would exceed the limitations.

SEC. 16. Section 32220 of the Education Code is amended to read:

32220. As used in this chapter:

(a) "Educational institution" means a school district, a community college district, a state university, the University of California, and the State Department of Education special schools.

(b) "Governing board" means the governing board of a school district or community college district, the Trustees of the California State University, and the Regents of the University of California.

(c) "Member of an athletic team" means member of any extramural athletic team engaged in athletic events on or outside the school grounds, maintained or sponsored by the educational institution or a student body organization thereof. "Member of an athletic team" also includes members of school bands or orchestras, cheerleaders and their assistants, pompon girls, team managers and their assistants, and any student or pupil selected by the school or student body organization to directly assist in the conduct of the athletic event, including activities incidental thereto, but only while such members are being transported by or under the sponsorship or arrangements of the educational institution or a student body organization thereof to or from a school or other place of instruction and the place at which the athletic event is being conducted.

Organized rooting sections, student body members who are spectators, and other spectator students, who are not actually participating in the conduct of the athletic event, are not members of an athletic team. Participants in a playday or field day activity occurring occasionally during a school year, in which students of one or more particular grade levels from two or more schools of a school district or community college district participate in athletic contests, are not members of an athletic team. Nothing in this subdivision shall be construed as prohibiting a governing board from extending the applicability of the provisions of this article to any of those persons, should the governing board elect so to do.

(d) "Student body organization" means any student organization under supervision of the educational institution or its officers.

SEC. 17. Section 32221 of the Education Code is amended to read:

32221. The governing board of any educational institution, except a school district or community college district and except the State Department of Education special schools as defined in Sections 59000, 59100, and 59200, shall provide for each member of an athletic team insurance protection for medical and hospital expenses resulting from accidental bodily injuries in an amount of at least five thousand dollars (\$5,000) for all services for each member of an athletic team, through group, blanket, or individual policies of accident insurance from authorized insurers, or through a benefit and relief association described in paragraph (1) of subdivision (c) of Section 10493 of the Insurance Code. The coverage shall be for the injury to members of athletic teams arising while the members are engaged in or are preparing for an athletic event promoted under the sponsorship or arrangements of the educational institution or a student body organization thereof or while the members are being

transported by or under the sponsorship or arrangements of the educational institution or a student body organization thereof to or from school or other place of instruction and the place of the athletic event. However, the Trustees of the California State University and the Regents of the University of California may authorize and require the student body organizations designated pursuant to this section, to be responsible for such medical and hospital expenses in any amount the trustees or the regents may specify, up to two hundred fifty dollars (\$250), in which event the insurance protection for the health and accident expenses may include a deductible clause in the same amount.

The governing board of each school district or community college district and the State Department of Education special schools as defined in Sections 59000, 59100, and 59200 shall provide for each member of an athletic team insurance protection for medical and hospital expenses resulting from accidental bodily injuries in one of the following amounts:

(a) A group or individual medical plan with accidental benefits of at least two hundred dollars (\$200) for each occurrence and major medical coverage of at least ten thousand dollars (\$10,000), with no more than one hundred dollars (\$100) deductible and no less than 80 percent payable for each occurrence.

(b) Group or individual medical plans which are certified by the Insurance Commissioner to be equivalent to the required coverage of at least one thousand five hundred dollars (\$1,500).

(c) At least one thousand five hundred dollars (\$1,500) for all medical and hospital expenses.

Insurance protection in any of the above amounts shall be provided through group, blanket, or individual policies of accident insurance from authorized insurers or through a benefit and relief association described in paragraph (1) of subdivision (c) of Section 10493 of the Insurance Code. The coverage shall be for the injury to members of athletic teams arising while the members are engaged in or are preparing for an athletic event promoted under the sponsorship or arrangements of the educational institution or a student body organization thereof or while the members are being transported by or under the sponsorship or arrangements of the school districts or community college districts or a student body organization thereof to or from school or other place of instruction and the place of the athletic event. Minimum medical benefits under any insurance required by this subdivision shall be equivalent to the three dollars and fifty cents (\$3.50) conversion factor as applied to the unit values contained in the minimum fee schedule adopted by the Division of Industrial Accidents of the Department of Industrial Relations, effective October 1, 1966.

The Trustees of the California State University and the Board of Regents of the University of California shall designate any student body organizations the trustees and the regents deem appropriate to bear the entire cost of the insurance under this article, in such



proportions as they deem equitable, and shall make appropriate deductions from any student body organization funds held by the institutions, or otherwise take such measures, as will assure the payment thereof.

The governing boards of the various school districts or community college districts and the State Department of Education special schools shall require that each member of an athletic team have insurance protection as prescribed by this section, with the costs of the insurance protection to be paid either out of the funds of the district or the funds of the student body, or by any other persons on behalf of, the individual team members or students covered by the insurance. In the event that the governing board of a school district or community college district should determine that a member of an athletic team or the parents, guardian, or other person having charge or control of a member of an athletic team are financially unable to pay the costs of insurance protection, then the governing board shall require the costs of the protection to be paid either out of funds of the district or funds of the student body.

The insurance required by this article shall be issued by an admitted insurer, or through a benefit and relief association described in paragraph (1) of subdivision (c) of Section 10493 of the Insurance Code.

The insurance otherwise required by this section shall not be required for any individual team member or student who has insurance or a reasonable equivalent of health benefits coverage provided for him or her in any other way or manner, including, but not limited to, purchase by himself or herself, or by his or her parent or guardian.

SEC. 18. Section 32320 of the Education Code is amended to read:

32320. No state-owned college, university, or other school shall charge any tuition, or incidental fees to any of the following:

(a) Any dependent receiving assistance under Article 2 (commencing with Section 890) of Chapter 4 of Division 4 of the Military and Veterans Code.

(b) Any child of any veteran of the United States military service who has a service-connected disability, and whose annual income not including governmental compensation for such service-connected disability, does not exceed five thousand dollars (\$5,000).

(c) Any child of any veteran who has been killed in service or has died of a service-connected disability, where the annual income of the child, including the value of any support received from a parent, and the annual income of a surviving parent, does not exceed five thousand dollars (\$5,000).

Nothing contained in this section shall prevent the Regents of the University of California from charging to and collecting from nonresident students an admission fee and rate of tuition nor shall anything in this section prevent the charging and collecting of fees required of nonresident students admitted to schools under the jurisdiction of the State Department of Education or the Director of

Education or to a state university under the jurisdiction of the Trustees of the California State University.

This section shall not apply to a dependent of a veteran within the meaning of paragraph (4) of subdivision (a) of Section 890 of the Military and Veterans Code.

SEC. 19. Section 33031 of the Education Code is amended to read:

33031. The board shall adopt rules and regulations not inconsistent with the laws of this state (a) for its own government, (b) for the government of its appointees and employees, (c) for the government of the day and evening elementary schools, the day and evening secondary schools, and the technical and vocational schools of the state, and (d) for the government of other schools, excepting the University of California and the California State University, as may receive in whole or in part financial support from the state.

The rules and regulations adopted shall be published for distribution as soon as practicable after adoption.

SEC. 20. Section 33113 of the Education Code is amended to read:

33113. The Superintendent of Public Instruction shall prescribe regulations under which contracts, agreements, or arrangements may be made with agencies of the federal government for funds, services, commodities, or equipment to be made available to schools of the public school system, except the California State University.

SEC. 21. Section 33115 of the Education Code is amended to read:

33115. The Superintendent of Public Instruction may enter into an agreement with the government of the United States or any agency thereof relative to the establishment of courses of study in aeronautics in the technical schools of the public school system, except the California State University.

SEC. 22. The heading of Article 4 (commencing with Section 37050) of Chapter 1 of Part 22 of the Education Code is amended to read:

#### Article 4. Contracts with the California State University

SEC. 23. Section 39363.5 of the Education Code, as amended by Section 1 of Chapter 643 of the Statutes of 1981, is amended to read:

39363.5. Except as provided for in Article 2 (commencing with Section 39030) of Chapter 1, the sale or lease with an option to purchase of real property by a school district shall be in accordance with the following priorities and procedures.

(a) First, the property shall be offered for park or recreational purposes pursuant to Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which that article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value, in both of the following ways:

(1) In writing, to the Director of General Services, the Regents of the University of California, the Trustees of the California State

University, the county and city in which the property is situated, and to any public housing authority in the county in which the property is situated.

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this state, to the federal government, and to any charitable corporation determined by the Secretary of State to be a public benefit corporation under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no newspaper of general circulation within the district, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to nonprofit public benefit corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or more often, with at least five days intervening between the respective publication dates not counting the publication dates, are sufficient. The written notice required by paragraph (1) of this subdivision shall be mailed no later than the date of the second published notice.

The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the school district of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive at a mutually satisfactory price or lease payment during the 60-day period after the third publication of notice, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board shall accept the highest offer. If two or more entities make the same offer, which is also the highest offer, the board shall seek an additional higher offer from all these entities. In the event no additional higher offer is made, the board may determine which of the original highest offers to accept.

Before accepting any written proposal, the board shall call for oral bids from entities with a priority pursuant to this subdivision, or with a higher priority. If, upon the call for oral bidding, an entity offers to purchase the property or to lease the property for a price or rental exceeding by at least 5 percent, the highest written proposal, after deducting the commission, if any, to be paid a licensed real estate broker, shall be finally accepted. Final acceptance shall not be made, however, until the oral bid is reduced to writing and signed by the offeror.

(c) Third, the property may be disposed of in any other manner

authorized by law.

This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends such date.

SEC. 24. Section 39363.5 of the Education Code, as amended by Section 2 of Chapter 643 of the Statutes of 1981, is amended to read:

39363.5. Except as provided for in Article 2 (commencing with Section 39030) of Chapter 1, the sale or lease with an option to purchase of real property by a school district shall be in accordance with the following priorities and procedures.

(a) First, the property shall be offered for park or recreational purposes pursuant to Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which that article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value in both of the following ways:

(1) In writing, to the Director of General Services, the Regents of the University of California, the Trustees of the California State University, the county and city in which the property is situated, and to any public housing authority in the county in which the property is situated.

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this state, to the federal government, and to nonprofit charitable corporations existing on December 31, 1979, and organized pursuant to Part 3 (commencing with Section 10200) of Division 2 of Title 1 of the Corporations Code then in effect or organized on or after January 1, 1980, as a public benefit corporation under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no newspaper of general circulation in the district, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to other nonprofit charitable or nonprofit public benefit corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or more often, with at least five days intervening between the respective publication dates not counting the publication dates, are sufficient. The written notice required by paragraph (1) shall be mailed no later than the date of the second published notice.

The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the school district of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive

at a mutually satisfactory price or lease payment during the 60-day period, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board may determine which of such offers to accept.

(c) Third, the property may be disposed of in any other manner authorized by law.

This section shall become operative January 1, 1988.

SEC. 25. Section 44212 of the Education Code is amended to read:

44212. The Superintendent of Public Instruction, the Regents of the University of California, the Trustees of the California State University, the California Postsecondary Education Commission, and the Association of Independent California Colleges and Universities shall each appoint a representative to serve as member ex officio without vote in proceedings of the commission.

The ex officio members shall not vote in any proceedings of the commission nor in any of its committees or subcommittees, except, by a majority vote of the commission, ex officio members may be permitted to vote in committees or subcommittees in order to establish a quorum as otherwise determined by majority vote of the commission.

SEC. 26. Section 44315 of the Education Code is amended to read:

44315. Notwithstanding any provisions of law or administrative regulations, a California state university may approve a "diversified" or a "liberal arts" degree, provided that all coursework used to meet such requirements is provided in the several academic schools or departments, other than the school or department of education or educational methodology, of the institution.

SEC. 27. Section 44521 of the Education Code is amended to read:

44521. The University of California, the California State University, or any private institution of higher education may participate in the program prescribed in this article.

SEC. 28. Section 44522 of the Education Code is amended to read:

44522. Any school district may enter into an agreement with the University of California, the California State University, or any private institution of higher education to participate in the New Careers Program prescribed in this article.

SEC. 29. Section 44525 of the Education Code is amended to read:

44525. An intern shall be enrolled in at least a 6-week, but not more than a 12-week, preservice program at the participating university, campus of the California State University, or private institution of higher education.

SEC. 30. Section 44528 of the Education Code is amended to read:

44528. An intern shall enroll in a course of study at the participating university, campus of the California State University, or private institution of higher education which will lead to a baccalaureate degree and a teaching credential.

SEC. 31. Section 44529 of the Education Code is amended to read:

44529. The team leader and his or her interns shall, in addition to

teaching duties, be afforded time for a teacher education program to be carried out under the guidance of the team leader in cooperation with the participating university, campus of the California State University, or private institution of higher education.

SEC. 32. Section 44531 of the Education Code is amended to read:

44531. The participating school district shall pay to the intern an amount equivalent to the tuition fees or college or university fees, or both, if levied, upon the intern attending the participating university, campus of the California State University, or private institution of higher education.

SEC. 33. Section 44534 of the Education Code is amended to read:

44534. The participating university, campus of the California State University, and private institution of higher education shall fund its own costs involved in the program prescribed by this article.

SEC. 34. Section 44574 of the Education Code is amended to read:

44574. The governing board of any school district may contract with institutions of higher education, including the University of California, the California State University, and private institutions, and with research centers or regional education laboratories for any of these institutions, centers, or laboratories, to furnish academic and consulting services for purposes of a staff development project. The school district shall be deemed the contracting agency and shall be responsible for coordination and administration of the staff development project.

SEC. 35. Section 44585 of the Education Code is amended to read:

44585. The governing board of any school district may contract with institutions of higher education, including the University of California, the California State University, and private institutions, and with research centers or regional education laboratories for any of these institutions, centers, or laboratories, to furnish academic and consulting services for purposes of a staff development project. The school district shall be deemed the contracting agency and shall be responsible for coordination and administration of the staff development project.

SEC. 36. Section 44857 of the Education Code is amended to read:

44857. Each person employed by the governing board of a school district for a position requiring certification qualifications shall, not later than 60 days after the date fixed by the governing board of the district for the commencement of the person's service, register, in the manner prescribed by Section 44310, a valid certification document issued on or before that date, authorizing the person to serve in the position for which he or she was employed, and shall, not later than 60 days after the renewal thereof, register the renewed certification document in the manner prescribed by Section 44310. If any person so employed is the holder of a California State University, or state teachers college, diploma accompanied by the certificate of the State Board of Education, or of an educational or life diploma of this state, and has presented the diploma to, and has had his or her name recorded by, the county superintendent of

schools of the county, the person shall be deemed to have registered the diploma under Section 44310.

SEC. 37. Section 52342 of the Education Code is amended to read:

52342. In the implementation of this article, the State Department of Education shall, on a regular basis, advise and consult with representatives of the Employment Development Department, the office of the Chancellor of the California Community Colleges, the California Postsecondary Education Commission, the University of California, the Chancellor of the California State University, the Commission on Teacher Credentialing, the Department of Industrial Relations, the Department of Consumer Affairs, the California Advisory Council on Vocational Education and Technical Training, and the State Personnel Board.

SEC. 38. Section 54405 of the Education Code is amended to read:

54405. (a) The State Board of Education may establish programs of the following types:

(1) Establishment of new curricula or modification of existing curricula in connection with the education and training of prospective teachers, to incorporate instruction in methods and techniques developed by competent authorities designed to enable teachers effectively to teach disadvantaged children.

(2) Research and consultative work projects undertaken to assist state and local public school agencies in carrying out their responsibilities under this chapter.

(3) Independently, or in cooperation with any public or private agency or organization, engaging in research and development undertakings directed to overcoming disadvantage, together with related activities involving evaluation, demonstration, and dissemination of findings having to do with programs of compensatory education.

(b) It is the intent and aim of the Legislature that the University of California and the California State University participate to the extent practicable with local public school agencies and the State Board of Education in their endeavors under this chapter. It is recommended that greater attention be devoted in the training of teachers to their preparation in the techniques and skills required to cope with the problems of disadvantaged children at the preschool as well as the elementary and secondary level. The University of California and the California State University are urged to participate at the local level in the programs being administered by the local public school authorities and agencies, and to provide all technical and personnel services practicable.

SEC. 39. Section 54632 of the Education Code is amended to read:

54632. (a) A "program improvement school" is an elementary school, a junior high school, or a high school designated as such by the district and approved by the State Board of Education.

(b) A "community resource committee" is a committee appointed by the director of each program improvement school at least one-half of the membership of which is made up of parents of

children participating in the program. The committee shall assist the director and the director's staff to plan and implement the educational program, identify community resources which could be utilized in the program, and inform the community of the proposed program. The membership of the community resource committee may include, in addition to parents of children participating in the program, but need not be limited to:

- (1) Parents of other pupils served by the school.
- (2) Pupils enrolled in the school.
- (3) Representatives of the community college, campus of the California State University, or university participating in the project.
- (4) Other individuals representing business and industry, organized labor, and representatives of local law enforcement, welfare, and employment agencies.

(c) If a parent advisory committee has been established for the school pursuant to Title I of the Elementary and Secondary Education Act of 1965, the director may, at his or her election, designate it to serve as the community resource committee in lieu of the committee otherwise to be appointed pursuant to subdivision (b).

SEC. 40. Section 59006 of the Education Code is amended to read: 59006. The Superintendent of Public Instruction may authorize the California School for the Deaf to establish and maintain teacher training courses designed to prepare teachers of the public schools and such other persons holding a credential issued by the State Board of Education as are recommended by the president of a campus of the California State University, to give instruction to the deaf and the hard of hearing. The Superintendent of Public Instruction shall prescribe standards for the admission of persons to the courses, and for the content of the courses.

The California School for the Deaf may enter into agreements with the Trustees of the California State University, the University of California, or any other university or college accredited by the State Board of Education as a teacher training educational institution, to provide practice teaching required for issuance of the credential authorizing the holder to teach the deaf and severely hard of hearing. The agreement may provide a reasonable payment, for services rendered, to teachers of the California School for the Deaf who have practice teachers under their direction.

SEC. 41. Section 59143 of the Education Code is amended to read: 59143. The Superintendent of Public Instruction may authorize the California School for the Blind to establish and maintain, either independently or in cooperation with the University of California or the Trustees of the California State University, teacher training courses for teachers of the blind. The Superintendent of Public Instruction shall establish standards for the admission of persons to the courses, and for the content thereof.

The California School for the Blind may enter into agreements with the Trustees of the California State University, the University



of California, or any other university or college accredited by the State Board of Education as a teacher training educational institution, to provide practice teaching required for issuance of the credentials authorizing the holder to teach the visually handicapped, the deaf-blind, or provide orientation and mobility instruction. The agreement may provide a reasonable payment, for services rendered, to teachers of the California School for the Blind who have practice teachers under their direction.

SEC. 42. Section 59211 of the Education Code is amended to read:

59211. The Superintendent of Public Instruction may, in cooperation with an accredited college or university, authorize the California schools for neurologically handicapped children to establish and maintain teacher training courses designed to prepare teachers to instruct neurologically handicapped children in special classes in the public school system. The Superintendent of Public Instruction, in cooperation with an accredited college or university, shall prescribe standards for the admission of persons to the courses, and for the contents of the courses. Courses conducted in the schools shall be counted toward requirements of a credential in the area of the educationally handicapped upon the establishment of the credential.

The diagnostic schools for neurologically handicapped children may enter into agreements with the Trustees of the California State University, the University of California, or any other university or college accredited by the State Board of Education as a teacher training educational institution, to provide practice teaching required for issuance of the credential authorizing the holder to teach the educationally handicapped. The agreement may provide a reasonable payment, for services rendered, to teachers of the diagnostic schools for neurologically handicapped children who have practice teachers under their direction.

SEC. 43. Section 60313 of the Education Code is amended to read:

60313. The Superintendent of Public Instruction shall establish and maintain a central clearinghouse-depository and duplication center for specialized textbooks, reference books, recordings, study materials, tangible apparatus, equipment, and other similar items for the use of visually handicapped students enrolled in the public schools of California who may require their use as shall be determined by the state board.

The instructional materials in specialized media shall be available to other handicapped minors enrolled in the public schools of California who are unable to benefit from the use of conventional print copies of textbooks, reference books, and other study materials in a manner determined by the state board.

The specialized textbooks, reference books, recordings, study materials, tangible apparatus, equipment, and other similar items shall be available for use by visually handicapped students enrolled in the public community colleges, the California State University, and the University of California.

SEC. 44. Section 66010 of the Education Code is amended to read:  
66010. Public higher education consists of (a) all public community colleges, (b) the California State University, and each campus, branch, and function thereof, (c) each campus, branch, and function of the University of California, and (d) the California Maritime Academy.

SEC. 45. Section 66011 of the Education Code is amended to read:  
66011. It is hereby declared to be the policy of the Legislature that all resident applicants to California institutions of public higher education, who are determined to be qualified by law or by admission standards established by the respective governing boards, should be admitted to either (1) the public community colleges, (2) the California State University, or (3) the University of California.

SEC. 46. Section 66016 of the Education Code is amended to read:  
66016. It is the intent of the Legislature that opportunities for participation in intercollegiate athletic programs in the community colleges, in the campuses of the California State University, and in the campuses of the University of California be provided on as equal a basis as is practicable to male and female students.

The costs of providing these equal opportunities may vary according to the type of sports contained within the respective men's and women's athletic programs. Therefore it is also the intent of the Legislature that additional sources of revenue should be determined to provide additional funds for these equal opportunity programs.

SEC. 47. Section 66102 of the Education Code is amended to read:  
66102. For purposes of this chapter, "public higher education" shall consist of (a) all public community colleges, (b) the California State University, and each campus, branch, and function thereof, (c) each campus, branch, and function of the University of California, and (d) the California Maritime Academy.

SEC. 48. Section 66202 of the Education Code is amended to read:  
66202. It is further the intent of the Legislature that the following categories be established, insofar as practicable in the following order, for the purpose of enrollment planning and admission priority practice at the undergraduate resident student level for the California State University and the University of California:

- (1) Continuing undergraduate students in good standing.
- (2) California residents who have successfully completed the first two years of their baccalaureate program.
- (3) California residents entering at the freshman or sophomore levels.

It is further the intent of the Legislature that within each of the preceding enrollment categories, the following groups of applicants receive priority consideration in admissions practice in the following order:

- (a) Residents of California who are recently released veterans of the armed forces of the United States.
- (b) Transfers from California public community colleges.
- (c) Applicants who have been previously enrolled at the campus

to which they are applying, provided they left such institution in good standing.

(d) Applicants who have a degree or credential objective that is not generally offered at other public institutions of higher learning within California.

(e) Applicants for whom the distance involved in attending another institution would create financial or other hardships.

It is further the intent of the Legislature that those veterans referred to in subdivision (a) who were enrolled in good standing at a campus of the University of California or at one of the California state universities prior to military service receive priority over other veterans recently released from military service.

(4) Residents of other states and foreign countries.

The segments may, in implementing these enrollment plans and admissions priorities, consider the overall needs of students in maintaining a balanced program and a quality curriculum.

SEC. 49. Section 66203 of the Education Code is amended to read:

66203. The California State University and the University of California shall keep a record of the applicants denied admission and develop and utilize an information collection system which indicates the number of qualified applicants who could not be accommodated at their campus of first choice and were redirected to campuses of alternate choice and the number of qualified redirected applicants who declined an offer of admission to an alternate campus.

SEC. 50. Section 66300 of the Education Code is amended to read:

66300. The Regents of the University of California, the Trustees of the California State University, and the governing board of every community college district, shall adopt or provide for the adoption of specific rules and regulations governing student behavior along with applicable penalties for violation of the rules and regulations. The institutions shall adopt procedures by which all students are informed of such rules and regulations, with applicable penalties, and any revisions thereof.

SEC. 51. Section 66500 of the Education Code is amended to read:

66500. The University of California may provide instruction in the liberal arts and sciences and in the professions, including the teaching professions. It shall have exclusive jurisdiction in public higher education over instruction in the profession of law and over graduate instruction in the professions of medicine, dentistry, and veterinary medicine. It has the sole authority in public higher education to award the doctoral degree in all fields of learning, except that it may agree with the California State University to award joint doctoral degrees in selected fields. It shall be the primary state-supported academic agency for research.

SEC. 52. The heading of Chapter 8 (commencing with Section 66600) of Part 40 of the Education Code is amended to read:

## CHAPTER 8. CALIFORNIA STATE UNIVERSITY

SEC. 53. Section 66601 of the Education Code is amended to read:  
66601. Whenever, in any law, the term "Trustees of the State College System of California" or "Trustees of the California State University," or the term "chief executive officer of the state college system" is used, such terms shall be deemed to mean the Trustees of the California State University and the Chancellor of the California State University, respectively.

SEC. 54. Section 66605 of the Education Code is amended to read:  
66605. If the trustees and the Regents of the University of California both consent, the Chancellor of the California State University shall sit with the Regents of the University of California in an advisory capacity and the President of the University of California shall sit with the trustees in an advisory capacity.

SEC. 55. Section 66606 of the Education Code is amended to read:  
66606. The Trustees of the California State University shall succeed to the powers, duties, and functions with respect to the management, administration, and control of the state colleges heretofore vested in the State Board of Education or in the Director of Education, including all powers, duties, obligations, and functions specified in Article 2 (commencing with Section 90010) of Chapter 8 of Part 55, and all obligations assumed by the State Board of Education pursuant to that article prior to July 1, 1961.

On and after July 1, 1961, the Trustees of the California State University shall have full power and responsibility in the construction and development of any state university campus, and any buildings or other facilities or improvements connected with the California State University. The powers shall be exercised by the Trustees of the California State University notwithstanding the provisions of Chapter 2 (commencing with Section 14100) and Chapter 3 (commencing with Section 14250) of Part 5 of Division 3 of Title 2 of the Government Code, except that the powers shall be carried out pursuant to the procedures prescribed by these laws.

The Trustees of the California State University may accept gifts of land, or gifts of options on land, may accept and expend gifts of money for the purchase of land or options on land, and may enter into negotiations and contracts for the purchase of land for a future state university site in the vicinity of any of the areas specified in the recommendations contained in the Master Plan for Higher Education printed on page 42, paragraph 5, Senate Journal (Regular Session) for February 1, 1960, except that the gifts, expenditures, negotiations, and contracts shall not obligate the expenditure of any state funds for the purchase of the land or for development on the land, unless the Legislature shall subsequently approve the obligation by appropriating the funds for that specific purpose.

Any acceptance, acceptance and expenditure, or negotiations and contract may be conditioned upon an automatic reversion back to the donor or automatic termination of the negotiations and contract

if a new state university is not established at a specific site prior to a specific date designated by the trustees and the donor or the trustees and the person or corporation with whom the trustees are negotiating or contracting.

SEC. 56. Section 66607 of the Education Code is amended to read:

66607. The California State University shall be entirely independent of all political and sectarian influence and kept free therefrom in the appointment of its trustees and in the administration of its affairs, and no person shall be debarred admission to any department of the state university on account of sex.

SEC. 57. Section 66609 of the Education Code is amended to read:

66609. All state employees employed on June 30, 1961, in carrying out functions transferred to the Trustees of California State University by this chapter, except persons employed by the Director of Education in the Division of State Colleges and Teacher Education of the Department of Education, are transferred to the California State University.

Nonacademic employees so transferred shall retain their respective positions in the state service, together with the personnel benefits accumulated by them at the time of transfer, and shall retain such rights as may attach under the law to the positions which they held at the time of transfer. All nonacademic positions filled by the trustees on and after July 1, 1961, shall be by appointment made in accordance with Chapter 5 (commencing with Section 89500) of Part 55, and persons so appointed shall be subject to the provisions of Chapter 5.

The trustees shall provide, or cooperate in providing, academic and administrative employees transferred by this section with personnel rights and benefits at least equal to those accumulated by them as employees of the state colleges, except that any administrative employee may be reassigned to an academic or other position commensurate with his or her qualifications at the salary fixed for that position. An administrative employee so reassigned shall have a right to appeal from such reassignment, but only as to whether the position to which he or she is reassigned is commensurate with his or her qualifications. All academic and administrative positions filled by the trustees on and after July 1, 1961, shall be filled by appointment made solely at the discretion of the trustees. The trustees shall establish and adjust the salaries and classifications of all academic, nonacademic, and administrative positions and neither Section 18004 of the Government Code nor any other provision of law requiring approval by a state officer or agency for salaries or classifications shall be applicable thereto. In establishing and adjusting salaries, consideration shall be given to the maintenance of the state university in a competitive position in the recruitment and retention of qualified personnel in relation to other educational institutions, private industry, or public jurisdictions which are employing personnel with similar duties and

responsibilities. The establishment and adjustment of salaries for nonacademic employees shall be in accordance with the standards prescribed in Section 18850 of the Government Code. The trustees, however, shall make no adjustments which require expenditures in excess of existing appropriations available for the payment of salaries. The provisions of Chapter 5 (commencing with Section 89500) of Part 52 relating to appeals from dismissal, demotion, or suspension shall be applicable to academic employees.

Persons excluded from the transfer made by this section shall retain all the rights and privileges conferred upon civil service employees by law. Personnel of state agencies employed in state university work other than those transferred by this section and who are employed by the trustees prior to July 1, 1962, shall be provided with personnel rights and benefits at least equal to those accumulated by them as employees of such state agencies.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 58. Section 66901 of the Education Code is amended to read: 66901. There is hereby created the California Postsecondary Education Commission, which shall be advisory to the Governor, the Legislature, other appropriate governmental officials, and institutions of postsecondary education. The commission shall be composed of the following members:

(a) One representative of the Regents of the University of California designated by the regents, one representative of the Trustees of the California State University designated by the trustees, and one representative of the Board of Governors of the California Community Colleges designated by the board. Representatives of the regents, the trustees, and the board of governors shall be chosen from among the appointed members of their respective boards, but in no instance shall an ex officio member of a governing board serve on the commission.

(b) One representative of the independent California colleges and universities which are accredited by a national or regional association which is recognized by the United States Department of Education. This member shall be appointed by the Governor from a list or lists submitted by an association or associations of those institutions.

(c) The chair or the designee of the chair of the Council for Private Postsecondary Educational Institutions.

(d) The President of the State Board of Education or his or her designee from among the other members of the board.

(e) Nine representatives of the general public appointed as

follows: three by the Governor, three by the Senate Rules Committee, and three by the Speaker of the Assembly. It is the intent of the Legislature that the commission be broadly and equitably representative of the general public in the appointment of its public members and that the appointing authorities, therefore, shall confer to assure that their combined appointments include adequate representation on the basis of sex and on the basis of the significant racial, ethnic, and economic groups in the state.

No person who is employed by any institution of public or private postsecondary education shall be appointed to or serve on the commission, except that a person who is not a permanent, full-time employee and who has part-time teaching duties which do not exceed six hours per week may be appointed to and serve on the commission.

The commission members designated in subdivisions (a), (c), and (d) shall serve at the pleasure of their respective appointing authorities. The member designated in subdivision (b) shall serve a three-year term. The members designated in subdivision (e) shall each serve a six-year term. The respective appointing authority may appoint an alternate for each member who may, during the member's absence, serve on the commission and vote on matters before the commission. When vacancies occur prior to expiration of terms, the respective appointing authority may appoint a member for the remainder of the term.

Any person appointed pursuant to this section may be reappointed to serve additional terms.

Any person appointed pursuant to this section who no longer has the position which made him or her eligible for appointment may nonetheless complete his or her term of office on the commission.

No person appointed pursuant to this section shall, with respect to any matter before the commission, vote for or on behalf of, or in any way exercise the vote of, any other member of the commission.

The commission shall meet as often as it deems necessary to carry out its duties and responsibilities.

Any member of the commission who in any calendar year misses more than one-third of the meetings of the full commission forfeits his or her office, thereby creating a vacancy.

The commission shall select a chair from among the members representing the general public. The chair shall hold office for a term of one year and may be selected to successive terms.

There is established an advisory committee to the commission and the director, consisting of the chief executive officers of each of the public segments, or their designees, the Superintendent of Public Instruction or his or her designee, and an executive officer from each of the groups of institutions designated in subdivisions (b) and (c) to be designated by the respective commission representative from such groups. Commission meeting agenda items and associated documents shall be provided to the committee in a timely manner for its consideration and comments.

The commission may appoint any subcommittees or advisory committees it deems necessary to advise the commission on matters of educational policy. The advisory committees may consist of commission members or nonmembers or both, including students, faculty members, segmental representatives, governmental representatives, and representatives of the public.

The commission shall appoint and may remove a director in the manner hereinafter specified. The director shall appoint persons to any staff positions the commission may authorize.

The commission shall prescribe rules for the transaction of its own affairs, subject, however, to all the following requirement and limitations:

- (1) The votes of all representatives shall be recorded.
- (2) Effective action shall require the affirmative vote of a majority of all the duly appointed members of the commission, not including vacant commission seats.
- (3) The affirmative votes of two-thirds of all the duly appointed members of the commission, not including vacant commission seats, shall be necessary to the appointment of the director.

SEC. 59. Section 66903.1 of the Education Code is amended to read:

66903.1. The commission shall report to the Legislature and the Governor on March 1, 1980, and every two years thereafter until, and including, 1984, on the representation and utilization of ethnic minorities and women among academic, administrative, and other employees at the California State University, the University of California, and the public community colleges. To prepare this report, the commission shall collect data from each of the three segments of public postsecondary education. The format for this data shall be the higher education staff information form required biennially from all institutions of higher education by the Federal Equal Employment Opportunity Commission, the collection of which is coordinated by the California Postsecondary Education Commission.

(a) The higher education staff information form includes all the following types of data:

- (1) The number of full-time employees by job categories, ethnicity, sex, and salary ranges.
- (2) The number of full-time faculty by ethnicity, sex, rank, and tenure.
- (3) The number of part-time employees by job categories (including tenured, nontenured or tenure track, and other nontenured academic employees), ethnicity, and sex.
- (4) The number of full-time new hires by job categories (including tenured, nontenured or tenure track, and other nontenured academic employees), ethnicity, and sex.

(b) In addition to the above, the segments shall submit to the commission all the following:

- (1) Promotion and separation data for faculty and staff employees



by ethnicity and sex for each of the two-year time periods beginning with 1977 to 1979.

(2) Narrative evaluation examining patterns of underutilization of women and minority employees among different job categories compared with the availability of qualified women and minorities for different job categories.

(3) Narrative evaluation examining specific results of affirmative action programs in reducing underutilization of women and minorities.

(4) Narrative evaluation of both strengths and inadequacies of current affirmative action programs, including inadequacies resulting from budgetary constraints.

(c) For purposes of this section, minorities and ethnic minorities shall include those persons defined as such by rules and regulations of the Federal Equal Employment Opportunity Commission.

This section shall remain in effect until January 1, 1985, and as of that date is repealed.

SEC. 60. Section 66904 of the Education Code is amended to read:

66904. It is the intent of the Legislature that sites for new institutions or branches of the University of California and the California State University, and the classes of off-campus centers as the commission shall determine, shall not be authorized or acquired unless recommended by the commission.

It is further the intent of the Legislature that California community colleges shall not receive state funds for acquisition of sites or construction of new institutions, branches, or off-campus centers unless recommended by the commission. Acquisition or construction of nonstate-funded community college institutions, branches, and off-campus centers, and proposals for acquisition or construction shall be reported to and may be reviewed and commented upon by the commission.

It is further the intent of the Legislature that existing or new institutions of public education, other than those described in subdivisions (b) and (c) of Section 66010, shall not be authorized to offer instruction beyond the 14th grade level.

All proposals for new postsecondary educational programs shall be forwarded to the commission for review together with such supporting materials and documents as the commission may specify. The commission shall review the proposals within a reasonable length of time, which time shall not exceed 60 days following submission of the program and the specified materials and documents. For the purposes of this section, "new postsecondary educational programs" means all proposals for new schools or colleges, all series of courses arranged in a scope or sequence leading to (1) a graduate or undergraduate degree, or (2) a certificate of a type defined by the commission, which have not appeared in a segment's or district's academic plan within the previous two years, and all proposals for new research institutes or centers which have not appeared in a segment's or district's academic plan within the

previous two years.

It is further the intent of the Legislature that the advice of the commission be utilized in reaching decisions on requests for funding new and continuing graduate and professional programs, enrollment levels, and capital outlay for existing and new campuses, colleges, and off-campus centers.

SEC. 61. Section 67003 of the Education Code is amended to read:

67003. The Trustees of the California State University on behalf of the California State University, the Regents of the University of California on behalf of the university, the Board of Governors of the California Community Colleges on behalf of the community colleges, and the Board of Governors of the California Maritime Academy on behalf of the California Maritime Academy, are vested with all power and authority to perform all acts necessary to receive the benefits and to expend the funds provided by the act of Congress described in Section 67000 and with all necessary power and authority to cooperate with the government of the United States, or any agency or agencies thereof, and with the California Postsecondary Education Commission for the purpose of receiving the benefits and expending the funds provided by the act of Congress, in accordance with the act, or any rules or regulations adopted thereunder, or any state plan or rules or regulations of the California Postsecondary Education Commission adopted in accordance with the act of Congress. Whenever necessary to secure the full benefits of the act of Congress for loans or grants for academic facilities, the trustees, regents, or boards of governors may give any required security and may comply with any conditions imposed by the federal government.

SEC. 62. Section 67124 of the Education Code is amended to read:

67124. Whenever a student transfers from one public or private institution of postsecondary education to another within the state, appropriate records or a copy thereof shall be transferred by the former community college, college, or university upon a request from the student. However, the community college, college, or university from which the student is transferring may notify the student that his or her records will be transferred upon payment by the student of all fees and charges due the community college, college, or university. Any community college, college, or university making such a transfer of records shall notify the student of his or her right to receive a copy of the record and of his or her right to a hearing to challenge the content of the record.

The California State University Board of Trustees and the Regents of the University of California may adopt rules and regulations concerning transfer of records to, from, or between schools under their respective jurisdictions.

SEC. 63. Section 67146 of the Education Code is amended to read:

67146. The California State University Board of Trustees shall adopt appropriate rules and regulations to insure the orderly implementation of this chapter.

SEC. 64. Section 68011 of the Education Code is amended to read:  
68011. "Institution" means the University of California, the California State University, the California Maritime Academy, or a California community college.

SEC. 65. Section 68012 of the Education Code is amended to read:  
68012. "Governing board" means the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or the Board of Governors of the California Community Colleges.

SEC. 66. Section 68022 of the Education Code is amended to read:  
68022. "Resident classification" means classification as a resident, pursuant to Section 68017, at the University of California, the California State University, and the California Maritime Academy, and as a district resident, pursuant to Section 68019, or a nondistrict resident, pursuant to Section 68020, at a California community college.

SEC. 67. Section 68040 of the Education Code is amended to read:  
68040. Each student shall be classified as: (a) a resident or nonresident at the University of California, the California State University, or the California Maritime Academy; or (b) a district resident, nondistrict resident, or nonresident at a California community college.

SEC. 68. Section 68121 of the Education Code is amended to read:  
68121. (a) Notwithstanding any other provisions of law to the contrary, no fees or tuition of any kind shall be required of or collected by the Trustees of the California State University from any surviving child, natural or adopted, of a deceased person who met all the following requirements:

- (1) Who was a resident of this state.
- (2) Who was employed by a public agency.
- (3) Whose principal duties consisted of active law enforcement service or active fire suppression and prevention, except a person whose principal duties were clerical even though such a person was subject to occasional call or was occasionally called upon to perform duties within the scope of active law enforcement or active fire suppression and prevention.
- (4) Who was killed in the performance of active law enforcement or active fire suppression and prevention duties or who died as a result of an accident or an injury caused by external violence or physical force, incurred in the performance of his or her active law enforcement or active fire suppression and prevention duties.

(b) As used in this section, "public agency" means the state or any city, county, district, or other local authority or public body of or within this state.

SEC. 69. Section 68123 of the Education Code is amended to read:  
68123. Notwithstanding any other provision of law, the Trustees of the California State University may enter into agreements with other universities or colleges located within the state whereby qualified students from campuses of the California State University

may attend the other universities or colleges without payment of some or all fees or tuition, or both, charged by the other institutions, and students from the other institutions may attend campuses of the California State University without payment of some or all of the fees or tuition, or both, charged by the state university. During any year, however, the number of students attending campuses of the California State University from other universities or colleges, pursuant to the agreements entered in between the Trustees of the California State University and other universities and colleges, shall not exceed the number of students of the California State University attending the other institutions.

SEC. 70. Section 68124 of the Education Code is amended to read:

68124. The trustees may enter into agreements with public colleges and universities in other states whereby qualified students from the California State University may attend the other college or university without payment of any tuition fee charged by that institution to persons who are nonresidents of the state in which it is situate, and students from that institution may attend the California State University without payment of the nonresident tuition established pursuant to Section 89705. No nonresident tuition shall be charged of students attending a campus of the California State University pursuant to an agreement entered into under this section. During any year, however, the number of students attending the California State University from a particular public college or university in another state, pursuant to the agreement, shall not exceed the number of the California State University students attending the institution under that agreement.

SEC. 71. Section 68133 of the Education Code is amended to read:

68133. If an action is brought against a governing board as the result of the application of this chapter, that governing board shall inform the governing boards of the other institutions regarding the litigation. If an action is brought against a district governing board as a result of the application of this chapter, that district governing board shall inform the Board of Governors of the California Community Colleges, who shall inform the Regents of the University of California, the Trustees of the California State University, and the Board of Governors of the California Maritime Academy regarding the pending litigation.

SEC. 72. Section 69271 of the Education Code is amended to read:

69271. The term "family physician," as used in this chapter, means a primary care physician who is prepared to and renders continued comprehensive and preventative health care services to families and who has received specialized training in an approved family practice residency for three years after graduation from an accredited medical school.

The terms "associated" and "affiliated," as used in this chapter, mean that relationship that exists by virtue of a formal written agreement between a hospital or other health care delivery system and an approved medical school which pertains to the family

practice training program for which state contract funds are sought. This definition shall include agreements which may be entered into subsequent to October 2, 1973, as well as those relevant agreements which are in existence prior to October 2, 1973.

The term "commission," as used in this chapter, means the Health Manpower Policy Commission.

The term "programs which train primary care physician's assistants," as used in this chapter, means a program which has been approved for the training of primary care physician's assistants pursuant to Section 3513 of the Business and Professions Code.

The term "programs which train primary care nurse practitioners," as used in this chapter, means a program which is operated by a California school of medicine or nursing, or which is authorized by the Regents of the University of California or by the Trustees of the California State University, or which is approved by the Board of Registered Nursing.

SEC. 73. Section 69534.3 of the Education Code is amended to read:

69534.3. (a) The technical advisory committee shall be composed of all the following:

(1) Five students, one from each of the entities specified in paragraphs (3) to (7), inclusive, shall be selected by the Director of the California Postsecondary Education Commission.

(2) Two high school counselors, selected by the Superintendent of Public Instruction.

(3) Two representatives of the California Community Colleges, selected by the Chancellor of the Community Colleges.

(4) Two representatives of the California State University, selected by the Chancellor of the California State University.

(5) Two representatives of the University of California, selected by the President of the University of California.

(6) Two representatives of independent colleges and universities, selected by the Director of the California Postsecondary Education Commission.

(7) Two representatives of private postsecondary education, selected by the Council on Private Postsecondary Education.

It is the intent of the Legislature that at least one of the representatives from each segment of postsecondary education be a practicing, campus-based student financial aid officer.

(b) Committee members shall receive no remuneration, other than reimbursement for actual and necessary expenses allowed by the State Board of Control incurred in the performance of their duties on the committee.

(c) Each committee member shall file annual financial disclosure statements required by the Fair Political Practices Commission.

(d) The Student Aid Commission shall provide staff support to the technical advisory committee during its evaluation of forms and processors. No member of the Student Aid Commission shall serve as a voting member of the technical advisory committee.

SEC. 74. The heading of Article 7 (commencing with Section 69620) of Chapter 2 of Part 42 of the Education Code is amended to read:

Article 7. California State University Educational Opportunity Program

SEC. 75. Section 69620 of the Education Code is amended to read: 69620. There is a state student assistance program which shall be known as the State University Educational Opportunity Program. It shall be the purpose of the program to provide educational assistance and grants for undergraduate study at the California State University to students who are economically disadvantaged or educationally and economically disadvantaged, but who display potential for success in accredited curricula offered by the California State University.

For the purposes of this chapter:

(a) "Trustees" means the Trustees of the California State University.

(b) "Educational agency" means an agency, other than a federal agency, which is supported in whole or in part by funds appropriated for educational purposes.

(c) "State agency" means every state office, officer, department, division, bureau, board, and commission.

(d) The residence of a recipient shall be determined in accordance with the rules for determining residence prescribed by Chapter 1 (commencing with Section 68000) of Part 41 and Article 1 (commencing with Section 89700) of Chapter 6 of Part 52.

SEC. 76. Section 69621 of the Education Code is amended to read: 69621. California State University Educational Opportunity Program grants may be awarded to persons selected for enrollment in programs authorized by the trustees according to the procedures established by the trustees. A person selected for a grant shall be a resident of this state, shall be a high school graduate or have, pursuant to the procedures, equivalent qualifications, and shall have been nominated by his or her high school, the Veterans Administration, a state agency or educational agency designated by the trustees, or a state university president. The trustees shall determine eligibility for grants awarded pursuant to this chapter. The grants may be granted and renewed according to standards set by the trustees until the student has received a baccalaureate degree or has completed five academic years, whichever occurs first. In special circumstances, as in the case of illness, military service, or family hardship, the trustees may renew the grant beyond the fifth year of study, provided the student has not received a baccalaureate degree. When the recipient is an enrollee in a special educational opportunity program approved by the trustees, for the purposes of this chapter, the state university sponsoring the program shall receive from the trustees reimbursement of up to sixty dollars (\$60)

per month per enrollee up to 12 months' support.

SEC. 77. Section 69622 of the Education Code is amended to read:

69622. Grants shall be provided for students who display potential for success in accredited curricula offered by the California State University, but lack the necessary funds to pay for tuition, books, and room and board, provided the students meet the standards of the state university which they are attending or the requirements for the special admissions program established by the trustees.

SEC. 78. Section 69624 of the Education Code is amended to read:

69624. Each high school in this state may nominate to the trustees students it deems deserving of the grants made available under this chapter. The trustees shall compile a list of students so nominated from which it may select students for grants in accordance with standards set by the trustees pursuant to this chapter. The Veterans Administration, any state agency, or educational agency designated by the trustees, or any president of a California State University may nominate persons whom they deem eligible for the grants.

SEC. 79. Section 69625 of the Education Code is amended to read:

69625. Records of the academic progress of each student attending a campus of the California State University under a grant shall be kept by each campus of the California State University having a program and forwarded to the trustees in order that the program created by this chapter may be evaluated.

SEC. 80. Section 69626 of the Education Code is amended to read:

69626. Each campus of the California State University may submit plans for a special educational opportunity program for approval by the trustees. Each program qualifying shall be authorized a program director and may be authorized as many special qualified counselors and advisers and the related operating and equipment support as is appropriate.

SEC. 81. Section 69627 of the Education Code is amended to read:

69627. This chapter shall be known as the California State University Educational Opportunity Act.

SEC. 82. Section 70022 of the Education Code is amended to read:

70022. The board of governors shall obtain the following services from the Trustees of the California State University pursuant to a contract providing for compensation, either in direct payment or by means of the exchange of services or use of facilities, to the trustees for the services:

(a) Legal services.

(b) Legislative representation.

(c) Assistance in curriculum development to the extent requested by the board of governors.

SEC. 83. Section 78001 of the Education Code is amended to read:

78001. The governing board of a community college district may contract with the Trustees of the California State University for the maintenance of a community college in a state university situated in the district. Any contract executed pursuant to this section shall

include among its provisions a requirement that all expenditures incurred for community college maintenance shall be payable only on order of the governing board as all other expenditures of the district are payable, and an additional provision that the president of the state university shall serve as president of the community college and in that capacity shall be responsible to the governing board through the superintendent of schools of the district if there is one. Otherwise he or she shall be responsible directly to the governing board.

SEC. 84. Section 81363.5 of the Education Code is amended to read:

81363.5. Except as provided for in Article 9 (commencing with Section 81190) of Chapter 1, the sale or lease with an option to purchase of real property by a community college district shall be in accordance with the following priorities and procedures.

(a) First, the property shall be offered for park or recreational purposes pursuant to Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which such article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value;

(1) In writing, to the Director of General Services, the Regents of the University of California, the Trustees of the California State University, the county and city in which the property is situated, and to any public housing authority in the county in which the property is situated; and

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this state, to the federal government, and to nonprofit charitable corporations existing on December 31, 1979, and organized pursuant to Part 3 (commencing with Section 10200) of Division 2 of Title 1 of the Corporations Code then in effect or organized for charitable purposes on or after January 1, 1980, under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no such newspaper, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to other nonprofit charitable or nonprofit public benefit corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The written notice required by paragraph (1) of this subdivision shall be mailed no later than the date of the second published notice.



The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the community college district of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive at a mutually satisfactory price or lease payment during the 60-day period, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board may, in its discretion, determine which of the offers to accept.

(c) Third, the property may be disposed of in any other manner authorized by law.

SEC. 85. Section 84500 of the Education Code is amended to read:

84500. (a) (1) Except as otherwise provided, in computing the average daily attendance of a community college district, there shall be included only the attendance of students while engaged in educational activities required of students and under the immediate supervision and control of an employee of the district who possessed a valid certification document, authorizing him or her to render service in the capacity and during the period in which he or she served.

(2) A community college district may also include the attendance of students enrolled in approved courses or programs of independent study, including courses or programs formerly conducted as coordinated instruction systems, who are under the supervision, control, and evaluation, but not necessarily in the immediate presence, of an employee of the district who possesses a valid certification document. Such attendance may only be included for college level credit courses and programs which are accepted for completion of an appropriate educational sequence leading to an associate degree, and which generally are recognized upon transfer by an institution of the University of California or the California State University.

The community college district shall determine the nature, manner, and place of conducting any independent study course or program in accordance with rules and regulations adopted by the Board of Governors of the California Community Colleges to implement the purposes of this subdivision. The rules and regulations shall require community college districts to ensure that the components of each individual study course or program for each student shall be set out in a written record which includes the goals and methodology of the course or program, the number of units and hours of study required, the arrangements for consultation with the instructor, the work product to be evaluated, and the college facility required. The rules and regulations shall also provide for input from, and participation by, faculty, who are selected by academic senates or faculty councils, and students, in the development and evaluation of approved educational courses and programs.

The board of governors or its designee shall study the educational

and fiscal effects of the authorization provided by this subdivision and shall report to the Legislature prior to June 30, 1981, on the appropriateness of deleting or extending the authorization, as well as other changes that should be made.

(b) For the purpose of work experience education programs in the community colleges meeting the standards of the California State Plan for Vocational Education, "immediate supervision" of off-campus work training stations means student participation in on-the-job training as outlined under a training agreement, coordinated by the community college district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision. The student/instructor ratio in the work experience program shall not exceed 125 students per full-time equivalent certificated coordinator.

(c) For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations that conform to all apportionment attendance and course of study requirements otherwise imposed by law, if the courses are fully open to the enrollment and participation of the public. However, prerequisites for the courses shall not be established or construed so as to prevent academically qualified persons not employed by agencies in the criminal justice system from enrolling in and attending the courses.

(d) Notwithstanding subdivision (c) and any regulations adopted pursuant thereto, a community college may give preference in enrollment to persons employed by, or serving in a voluntary capacity with, a fire protection or fire prevention agency in any course of in-service fire training at the community college in cooperation with any fire protection or fire prevention agency or association. Preference shall only be given when such persons could not otherwise complete the course within a reasonable time and when no other training program is reasonably available. At least 15 percent of the enrollment in in-service fire training courses shall consist of persons who are neither volunteers of, nor employed by, a fire protection or prevention agency or association, if the persons are available to attend a course. Average daily attendance for the courses shall be reported for state aid.

(e) Subdivision (d) shall apply only to the following:

(1) Community colleges which, in cooperation with any fire protection or fire prevention agency or association, have been, as of January 1, 1980, the primary source of in-service fire training for any fire protection or fire prevention agency or association.

(2) Community colleges which, in cooperation with any fire protection or fire prevention agency or association, establish in-service fire training for any fire protection or fire prevention agency or association which did not have in-service fire training prior

to January 1, 1980.

(f) In the event that certain in-service training courses are restricted to employees of police, fire, corrections, and other criminal justice agencies, attendance for the restricted courses shall not be reported for purposes of state apportionments. A community college district which restricts enrollment in in-service training courses may contract with any public agency to provide compensation for the cost of conducting such courses.

(g) Positive records of student admissions and daily attendance in all in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations, as described in subdivision (c), shall be maintained by each district and shall be separately reported annually to the Chancellor's office of the California Community Colleges.

SEC. 86. Section 87463 of the Education Code is amended to read:

87463. Any employee in a position requiring certification qualifications of a community college district who instructs in a four-year state institution of higher education maintained on the campus of the community college pursuant to contracts entered into between the Trustees of the California State University and the district, shall, without regard to subject or grade taught, whether of community college level or higher, acquire and retain all rights to employment in the district the same as though the employee were teaching exclusively in a community college of the the district. However, nothing in this section shall be construed to prevent the employee from resigning from employment in the district pursuant to the provisions of Section 87730.

SEC. 87. The heading of Division 8 (commencing with Section 89000) of the Education Code is amended to read:

#### DIVISION 8. CALIFORNIA STATE UNIVERSITY

SEC. 88. The heading of Part 55 (commencing with Section 89000) of the Education Code is amended to read:

#### PART 55. CALIFORNIA STATE UNIVERSITY

SEC. 89. Section 89001 of the Education Code is amended to read:

89001. The California State University includes the institutions for higher education whose locations are listed in this section.

- (a) San Jose.
- (b) San Francisco.
- (c) Chico.
- (d) Humboldt.
- (e) San Diego.
- (f) Fresno.
- (g) California Polytechnic State University, San Luis Obispo.
- (h) California State Polytechnic University, at or near the Cities of San Dimas and Pomona.

- (i) Long Beach.
- (j) Los Angeles.
- (k) Sacramento.
- (l) Hayward.
- (m) San Fernando Valley.
- (n) Fullerton.
- (o) Stanislaus.
- (p) Sonoma.
- (q) San Bernardino.
- (r) Dominguez Hills.
- (s) Contra Costa.
- (t) Kern.
- (u) Redwood City.
- (v) Ventura.

SEC. 90. Section 89004 of the Education Code is amended to read:  
89004. The trustees, or a designated committee thereof, shall be a board of visitors to the Board of Governors of the California Maritime Academy and shall meet with the board of governors to discuss policies and concepts common to the two institutions, and to advise the board of governors.

However, the status as a board of visitors shall in no way affect the exclusive authority of the board of governors to administer the academy. Further, the California State University or the trustees shall not be legally responsible in any way for the acts or omissions of the California Maritime Academy or the board of governors.

SEC. 91. Section 89006 of the Education Code is amended to read:  
89006. It is unlawful for any person to utilize any information, not a matter of public record, which is received by that person by reason of his or her employment by, or contractual relationship with, the trustees, the California State University, or an auxiliary organization of the California State University as defined in Section 89033, for personal pecuniary gain, not contemplated by the terms of the employment or contract, regardless of whether the person is or is not so employed or under contract at the time the gain is realized.

SEC. 92. Section 89030 of the Education Code is amended to read:  
89030. The trustees shall adopt rules and regulations not inconsistent with the laws of this state for all of the following:

- (a) The government of the trustees.
- (b) The government of their appointees and employees.
- (c) The government of the California State University.

The rules and regulations shall be published for distribution as soon as practicable after adoption.

This section shall be liberally construed in order that the purposes of the Donahoe Higher Education Act pursuant to Part 40 (commencing with Section 66010) of Division 5 may be effectuated.

SEC. 93. Section 89031 of the Education Code is amended to read:  
89031. The trustees may establish rules and regulations for the government and maintenance of the buildings and grounds of the California State University. Every person who violates or attempts to

violate the rules and regulations is guilty of a misdemeanor.

SEC. 94. Section 89032 of the Education Code is amended to read:

89032. (a) Criteria for including the words "state university" in the name of any of the particular institutions designated in Section 89001 shall be jointly developed and approved by the Trustees of the California State University and the California Postsecondary Education Commission.

(b) Whenever the term "state university" is used in any provision of law, it shall be interpreted to refer to either a state college or a state university unless the context requires that it not be so interpreted.

SEC. 95. Section 89033 of the Education Code is amended to read:

89033. The name of any particular institution named in Section 89001 may be changed to read "California State University, \_\_\_\_\_," or "\_\_\_\_\_ State \_\_\_\_\_" (College or University, as the case may be), except that the institutions named in subdivisions (a), (b), (d), (e), (g), (h), and (p) of Section 89001 shall be changed to read "San Jose State University," "San Francisco State University," "Humboldt State University," "San Diego State University," "California Polytechnic State University, San Luis Obispo," "California State Polytechnic University, Pomona," and "Sonoma State College," respectively. However, the term "university" may be used in the name of a particular institution only after affirmative action by the trustees and the California Postsecondary Education Commission after consideration of the criteria developed pursuant to Section 89032.

SEC. 96. Section 89034 of the Education Code is amended to read:

89034. The designation of the California State University and the authority vested in the trustees to select and change the name of any institution of higher education in the California State University shall not be construed to contravene or conflict with the provisions of Section 66608.

SEC. 97. Section 89036 of the Education Code is amended to read:

89036. The trustees may enter into agreements with any public or private agency, officer, person, or institution, corporation, association, or foundation for the performance of acts or for the furnishing of services, facilities, materials, or equipment by or for the trustees or for the joint performance of an act or function or the joint furnishing of services and facilities by the trustees and the other party to the agreement.

The trustees may enter into agreements with the federal government or any agency thereof in accordance with the procedures prescribed by the federal government or agency in order to receive the benefits of any federal statute extending benefits to the California State University or to the California State University students, including, but not limited to:

(a) Agreements with any agency of the federal government for the education of persons in the service of the federal government.

(b) Agreements with any agency of the federal government for

the education of veterans, provided that the agreements shall provide for payment of the maximum amount permitted under the act, or acts, of Congress under which the agreement is entered into.

Notwithstanding any other provision of law, the trustees have all power necessary to perform such acts and comply with conditions required or imposed by the federal government in order to receive the benefits. The trustees are vested with all necessary power and authority to cooperate with any such agency of the federal government in the administration of any applicable act of Congress and rules and regulations adopted thereunder.

The provisions of Article 1 (commencing with Section 4300) of Chapter 4 of Division 5 of Title 1 of the Government Code shall not apply to the purchase by the trustees of musical instruments for the use of students of the California State University.

SEC. 98. Section 89037 of the Education Code is amended to read:

89037. The trustees may establish facilities for training deaf persons at the campus of the California State University which the trustees shall designate for such purpose. The trustees shall do all of the following:

(a) Request the Department of Rehabilitation to refer deaf students to the designated state university.

(b) Recognize the designated campus of the California State University as a professional center for training deaf persons and take all action necessary to facilitate the receipt by the campus of state and federal funds.

SEC. 99. Section 89038 of the Education Code is amended to read:

89038. The trustees may enter into agreements with any agency of the federal government for the construction of housing and other educational facilities for students and faculties of any campus of the California State University under the jurisdiction of the trustees if they determine that the income, rent, and charges for the use of the facilities will be sufficient in amount to repay the principal and interest on the amount secured from the federal government for the construction of the facilities.

The trustees may also enter into agreements with any agency of the federal government which result in grants, matching funds, or any other kind of financial aid for construction of housing and other educational facilities for students and staff of any campus of the California State University under the jurisdiction of the trustees.

Notwithstanding any other provision of law, whenever necessary to secure the full benefits of any federal statutes pertaining to loans, grants, matching funds, or any other kind of financial aid to educational institutions for housing and other educational facilities, the trustees may give such security as may be required and may comply with such conditions as may be imposed by the federal government.

SEC. 100. Section 89040 of the Education Code is amended to read:

89040. The trustees may insure the owner of any motor vehicle

used in driver training and employees of the California State University and the students instructed by them against any liability, other than a liability which may be insured against under Division 4 (commencing with Section 3200) of the Labor Code, for injuries or damages resulting from the negligent operation of any motor vehicle while such motor vehicle is operated by the employees or by students in connection with the giving of instruction in the operation of motor vehicles within the curricula of the campus of the California State University.

SEC. 101. Section 89041 of the Education Code is amended to read:

89041. The trustees may give in the name of the State of California such bond as may be required by the federal government, or any officer or agency thereof, for the care, safekeeping, and return of property of the United States issued to the California State University for the Reserve Officer Training Corps unit maintained at the campus.

SEC. 102. Section 89044 of the Education Code is amended to read:

89044. The trustees may budget an amount to be expended in accordance with rules and regulations adopted by the State Board of Control for use in carrying out the community relation responsibilities of the president of each campus of the California State University and of the chancellor, as defined by the trustees.

SEC. 103. Section 89045 of the Education Code is amended to read:

89045. The trustees shall establish an internal audit staff which shall include the staff positions authorized for internal auditing. The internal auditing staff shall report directly to the trustees and shall be available for consultation with any audit committee of the trustees which may be established by the trustees.

The duties of the internal audit staff shall include, but shall not be limited to, auditing, reviewing, cost and systems analysis, analyzing, and recommending operating procedures for the California State University.

Management audits shall be made to determine the effectiveness and efficiency of the organization, operation, and procedures of each state university, each auxiliary organization, and the office of the chancellor. Officials and employees of each state university, each auxiliary organization, and the office of the chancellor shall furnish all books, papers, contracts, management charts, and related information necessary for management audits.

SEC. 104. Section 89046 of the Education Code, as amended by Section 2 of Chapter 867 of the Statutes of 1981, is amended to read:

89046. In addition to their general authority to lease property of a state university, the trustees may lease any property of a state university for any of the following purposes:

(a) The lease of state university property to a nonprofit organization composed exclusively of students of the university or of

members of the faculty of the university, or both, for purposes related to the activities of the university or for the activities of student or faculty organizations.

(b) The lease of state university property to any nonprofit organization for the purpose of constructing and using thereon buildings as living quarters for students of the university and as meetingplaces.

(c) The lease to any student or faculty organization of the university of property for the purpose of establishing and maintaining cooperative stores, and cafeterias in connection with such stores.

Any rental received by the trustees under this or other leasing sections shall be deposited in the State Treasury and credited to the support appropriation of the California State University current during the period of occupancy.

Any lease under this section extending for a term of more than 20 years shall be approved by the Department of General Services.

(d) This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

SEC. 105. Section 89046 of the Education Code, as added by Section 2.5 of Chapter 867 of the Statutes of 1981, is amended to read:

89046. The trustees, with the approval of the Director of Finance, may lease any property of a state university for any purpose which they determine is not inconsistent with the functions of the California State University, including, but not limited to all of the following:

(a) The lease of state university property to a nonprofit organization composed exclusively of students of the university or of members of the faculty of the university, or both, for purposes related to the activities of the university or for the activities of student or faculty organizations.

(b) The lease of state university property to any nonprofit organization for the purpose of constructing and using thereon buildings as living quarters for students of the university and as meetingplaces.

(c) The lease to any student or faculty organization of the university of property for the purpose of establishing and maintaining cooperative stores and cafeterias in connection with the stores.

Any rental received under this section shall be deposited in the State Treasury and credited to the support appropriation of the California State University current during the period of occupancy.

(d) This section shall become operative January 1, 1987.

SEC. 106. Section 89047 of the Education Code is amended to read:

89047. The trustees, with the approval of the Director of General Services, and the governing board of any school district within which a campus of the California State University is located, may enter into



an agreement providing for the leasing by the state of a school building of the school district for use by the campus as a laboratory demonstration elementary school on such terms and conditions as may be agreed upon by the trustees and the governing board of the school district except as otherwise provided in this section.

The lease may be for a period not to exceed 20 years and shall, in addition to any other terms and conditions set forth therein, (a) require the school district to maintain the building at its own expense, (b) require the campus to maintain a school therein open to pupils of the school district residing in the attendance district for the school as established by the governing board of the district, and (c) require the school district to pay annually to the state on or before the end of each fiscal year an amount determined by computing the current expenditures per pupil in the elementary schools of the district for the fiscal year and multiplying the amount so computed by the average daily attendance for the fiscal year in the school in excess of 400.

Only the average daily attendance in the school in excess of 400 shall be credited to the school district.

The average daily attendance of pupils in the school shall be computed separately in the same manner as the average daily attendance in other schools of the same grade maintained by the school district.

SEC. 107. Section 89060 of the Education Code is amended to read:

89060. For each campus of the California State University, except as otherwise provided in this article, there shall be an advisory board of not less than seven nor more than 13 members, who shall be appointed by the trustees. Each member of the advisory board of a campus of the California State University shall reside in the area in which the campus is located. No person shall be appointed to serve as a member of an advisory board who at the time holds any salaried position with the California State University. No more than three members of an advisory board may also be members of a county board of education or a governing board of a school district or hold any salaried educational position.

SEC. 108. Section 89063 of the Education Code is amended to read:

89063. The members of each board shall select a chairman from the members of the board. The president of the campus of the California State University shall be the executive secretary of the board.

SEC. 109. Section 89064 of the Education Code is amended to read:

89064. Each board shall consult and advise with the president of the campus of the California State University with respect to the improvement and development of the campus.

SEC. 110. Section 89080 of the Education Code is amended to read:

89080. It is the intent of the Legislature, while maintaining the maximum utilization of funds provided for the support of public higher education, to provide increased access to higher education for all residents of this state, to permit maximum use of existing facilities and academic resources of the California State University campuses, to provide for the orderly growth and expansion of the state's system of higher education, and to allow for effective long-range planning to meet the needs of the institutions of higher education while maintaining the quality of that education.

Thus, it is the intent of the Legislature to establish year-round operations at the California State University where practical.

SEC. 111. Section 89082 of the Education Code is amended to read:

89082. Any campus of the California State University, other than those specified in Section 89081, which has a full-time equivalent academic year enrollment of 10,000 or greater shall operate on a year-round basis within two years of the effective date of an appropriation by the Legislature of sufficient planning money to effectuate an orderly transition of campus operations to the year-round basis.

SEC. 112. Section 89084 of the Education Code is amended to read:

89084. Any campus of the California State University which operated on a year-round basis on November 23, 1970, shall continue to operate on that basis.

SEC. 113. Section 89200 of the Education Code is amended to read:

89200. The trustees, on behalf of any campus of the California State University, may enter into contracts for the purpose of participating in, or the procuring or transmitting of, television broadcasts, may purchase broadcast time over, and may own, lease, and operate, television transmitting facilities for use in providing educational, noncommercial television broadcasts, and may provide necessary services in connection therewith.

SEC. 114. Section 89210 of the Education Code is amended to read:

89210. It is the intent and purpose of the Legislature in providing for the establishment at or in conjunction with individual state universities, under this article, of laboratory classes for exceptional children, to accomplish the following general aims:

(a) Improve programs presently offered within the California State University system for the training of teachers in the education of exceptional children, and afford prospective teachers with direct experience with typical exceptional children.

(b) Provide facilities and workshops where needed systematic continuing research in the development of methods, means, and techniques in teaching of exceptional children shall be conducted.

(c) Accelerate the recruitment and training of prospective teachers of exceptional children and provide in-service training for

credentialed teachers to improve their skills.

(d) Provide a combined and comprehensive university level program of research and teacher training to meet the needs of exceptional children which will serve to attract and effectively utilize available public and private funds and grants.

(e) Provide for increased and improved special educational services for exceptional children through cooperation and coordination with local school districts and county offices.

SEC. 115. Section 89211 of the Education Code is amended to read:

89211. For purposes of state financial support, the laboratory classes for exceptional children established at or in conjunction with state universities under this article shall be separately budgeted for in each budgeting request submitted by the California State University, and in the Budget Act.

SEC. 116. Section 89222 of the Education Code is amended to read:

89222. On the basis of the examination and an evaluation of the candidate's experience and other qualifications made by the board, the board shall recommend the granting of a baccalaureate degree in vocational arts by the California State University.

SEC. 117. Section 89230 of the Education Code is amended to read:

89230. "Instructionally related activities" means those activities and laboratory experiences which are at least partially sponsored by an academic discipline or department and which are, in the judgment of the president of a particular campus, with the approval of the trustees, integrally related to its formal instructional offerings.

Activities which are considered to be essential to a quality educational program and an important instructional experience for any student enrolled in the respective program may be considered instructionally related activities.

Instructionally related activities include, but are not limited to:

(a) Intercollegiate athletics: costs which are necessary for a basic competitive program including equipment and supplies and scheduled travel, not provided by the state. Athletic grants should not be included.

(b) Radio, television, film: costs related to the provisions of basic "hands-on" experience not provided by the state. Purchase or rental of films as instructional aids shall not be included.

(c) Music and dance performance: costs to provide experience in individual and group performance, including recitals, before audiences and in settings sufficiently varied to familiarize students with the performance facet of the field.

(d) Drama and musical productions: basic support of theatrical and operatic activities sufficient to permit experience not only in actual performance, but in production, direction, set design, and other elements considered a part of professional training in these fields.

(e) Art exhibits: support for student art shows given in connection with degree programs.

(f) Publications: the costs to support and operate basic publication programs including a periodic newspaper and other laboratory experience basic to journalism and literary training. Additional publications designed primarily to inform or entertain shall not be included.

(g) Forensics: activities designed to provide experience in debate, public speaking, and related programs, including travel required for a competitive debate program.

(h) Other activities: activities associated with other instructional areas which are consistent with purposes included in the above may be added as they are identified.

Pursuant to this section and other provisions of this code, the Chancellor of the California State University shall develop a program of fiscal support, and shall consult with the Student Presidents' Association, the Academic Senate, and the Chancellor's Council of Presidents regarding the program.

The provisions of this section shall not become operative unless funds are appropriated to meet the instructionally related needs of the campuses of the California State University.

SEC 118. Section 89301 of the Education Code is amended to read:

89301. Notwithstanding any provision of law to the contrary, except as provided pursuant to Section 89707.5 with respect to nonresident students who are citizens and residents of a foreign country and who are not citizens of the United States, student body organization membership fees authorized under the provisions of Section 89300 shall be collected by the officials of the campus of the California State University, together with all tuition and material and service fees, at the time of registration, except where a student loan or grant from a recognized training program or student aid program has been delayed and there is reasonable proof that the funds will be forthcoming. Exception may also be made where changes are made during the change of program period which result in a higher fee category than paid at the time of registration. All unexpended funds and money collected on behalf of, or by, student body organizations, except funds and money collected from commercial services as provided in Section 89905, shall, with the approval of an appropriate officer of the student body organization, be deposited in trust by the chief fiscal officer of the campus. The money shall, subject to the approval of the trustees, be deposited or invested in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of

federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by the insurance.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

(e) Investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.

All moneys received by a state university from any agency of the state or federal government for the payment of student body organizations membership fees of students attending the state university shall be deposited or invested as provided above.

SEC. 119. Section 89302 of the Education Code is amended to read:

89302. All money collected by a campus of the California State University on behalf of a student body organization under Sections 89046, 89047, 89300, 89301, and 89750, shall be available for such purposes of the student body organization as are approved by the trustees.

The chief fiscal officer of each campus of the California State University shall be custodian of these moneys and provide the necessary accounting records and controls thereof.

These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by officers of the student body organization.

The campus of the California State University shall be reimbursed by the student body organization an amount to cover the cost of the custodial and accounting services provided by the campus of the California State University in connection with these funds.

Student body funds used for scholarships, grants-in-aid, stipends, loans, and similar expenditures shall conform to the regulations of the trustees. The funds shall be approved by the financial aids office before the funds are expended and shall be reflected on the student's record kept in that office. The student's financial aid record shall include all the funds received by the student.

SEC. 120. Section 89304 of the Education Code is amended to read:

89304. Upon the favorable vote of two-thirds of the students voting in an election held for the purpose at a state university, in the

manner the trustees shall prescribe, and open to all regular students enrolled in the state university, the trustees are authorized to fix, in addition to any other student fee the trustees are authorized to fix, a building and operating fee not to exceed twenty dollars (\$20) per student per academic year which shall be required of all students attending the state university. All unexpended funds and money collected by any state university under this section shall be available for financing, operating, and constructing a student body center, and until so used, shall, subject to the approval of the trustees, be deposited or invested in trust by the chief fiscal officer of that state university in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

(e) Investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.

The chief fiscal officer of each state university shall be custodian of those moneys and provide the necessary accounting records and controls thereof.

The state university shall be reimbursed from these funds in an amount to cover the cost of the custodial and accounting services provided by the state university in connection with these funds.

These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by an elected representative of the student body or his or her appointee.

SEC. 121. Section 89330 of the Education Code is amended to read:

89330. The Trustees of the California State University may authorize at any of the institutions of the California State University the establishment of a program which allows persons 60 years of age or older to enroll in regular credit courses without requiring the

payment of the application for admission fee and regular session registration fees.

SEC. 122. Section 89333 of the Education Code is amended to read:

89333. The Trustees of the California State University shall adopt regulations for the effective administration of this article. The Trustees of the California State University shall phase in programs under this article over not less than a three-year period commencing January 1, 1980, except that existing programs may be continued as programs under this article on and after its effective date.

SEC. 123. Section 89400 of the Education Code is amended to read:

89400. The Trustees of the California State University and any other public or private nonprofit agency may contract with the State Department of Education to establish and maintain a child development center on or near each state university campus pursuant to the provisions of Chapter 2 (commencing with Section 8200) of Part 6.

SEC. 124. Section 89502 of the Education Code is amended to read:

89502. (a) It is the policy of the state that the workweek of the employees of the California State University shall be 40 hours, and the workday of such employees eight hours, except that workweeks and workdays of a different number of hours may be established in order to meet the varying needs of the different campuses and facilities. It is the policy of the state to avoid the necessity for overtime work whenever possible.

This policy does not restrict the extension of regular working-hour schedules on an overtime basis when the action is necessary to carry on the business of the California State University properly during a manpower shortage.

The trustees may provide for the payment of overtime in designated classes for work performed after the normal scheduled workday or normal scheduled workweek, when the designation is appropriate to the designated class.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 125. Section 89503 of the Education Code is amended to read:

89503. (a) The trustees may authorize payments into a private fund to provide health and welfare benefits to nonpermanent employees of the class specified in Section 18853 of the Government Code employed by the trustees, upon a finding by the trustees as to

any position that the criteria stated in subdivision (a) of Section 18853.5 of the Government Code are satisfied.

(b) Payments made by the state pursuant to this section to any fund on behalf of any employees shall be in lieu of benefits such as vacation allowance, sick leave, and retirement which may be granted directly by the state in accordance with law.

(c) The trustees may determine the equitable application of this section to ensure that the employees receive benefits comparable to, but not in excess of, those provided in comparable private employment.

(d) The payments authorized by this section shall be a proper charge against any funds available for the support of the California State University.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 126. Section 89508 of the Education Code is amended to read:

89508. (a) Each person holding a four-year term appointment under Section 80507 on June 30, 1961, regardless of when the term commenced, shall on that date be entitled to all personnel benefits and rights under the law which would have attached to the person's position if he or she had been appointed and had served throughout his or her state university employment under the provisions of law applicable to persons serving under appointments made pursuant to Article 2 (commencing with Section 89530).

On and after July 1, 1961, the person shall be entitled to all personnel benefits and rights conferred by Section 66609 upon state employees appointed pursuant to Article 2 and transferred to the Trustees of the California State University by that section.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 127. Section 89515 of the Education Code is amended to read:

89515. The trustees shall eliminate all policies which detrimentally and unreasonably affect the employment status of females hired by the California State University. To accomplish this purpose, the trustees shall do all of the following:



(a) Review hiring, wages, job classifications, and advancement practices as applied to female employees and take corrective measures where inequities exist.

(b) Review selection procedures utilized for employment of female employees to determine disparate selection practices.

(c) Assure opportunity of advancement for qualified female employees to executive positions within departments and divisions.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 128. Section 89520 of the Education Code is amended to read:

89520. (a) The provisions of Article 4.5 (commencing with Section 19400) of Chapter 7 of Part 2 of Division 5 of the Government Code, relating to upward mobility, shall be applicable to the California State University System. The trustees shall administer the program for its employees and shall have the powers and duties with respect to employees of the California State University System, as are given to the State Personnel Board in Article 4.5 (commencing with Section 19400) of Chapter 7 of Part 2 of Division 5 of the Government Code, with respect to state civil service employees. In the event of conflict between the provisions of Article 4.5 (commencing with Section 19400) of Chapter 7 of Part 2 of Division 5 of the Government Code and the antidiscrimination and affirmative action requirements of Title VI and Title VII of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972, as amended; Executive Order Number 11246, as amended, and the rules and regulations adopted under each of these, the federal law shall prevail.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 129. Section 89530 of the Education Code is amended to read:

89530. (a) As used in this article, unless the context otherwise requires:

(1) "Dismissal" means dismissal for cause.

(2) "Layoff" means separation from a position for lack of funds or lack of work.

(3) "Probation" means the period an employee must serve before becoming entitled to permanent employment.

(4) "Permanent" means that the employee has a right to continued employment unless dismissed or laid off.

(b) This article does not apply to the California State University presidents.

(c) This article does not apply to student assistants.

SEC. 130. Section 89542.5 of the Education Code is amended to read:

89542.5. The Trustees of the California State University shall establish grievance and disciplinary action procedures for all academic employees, including all temporary employees who have been employed for more than one semester or quarter, whereby all of the following requirements are satisfied:

(a) Grievances and disciplinary actions shall be heard by a faculty hearing committee composed of full-time faculty members, selected by lot from a panel elected by the campus faculty, which shall make a recommendation to the president of the state university.

(b) The grievance or disciplinary hearing shall be open to the public at the option of the person aggrieved or the person charged in a disciplinary hearing.

(c) Each party to the dispute shall have the right of representation by a faculty adviser or counsel of his or her choice and to be provided access to a complete record of the hearing.

(d) If there is disagreement between the faculty hearing committee's decision and the state university president's decision, the matter shall go before an arbitrator whose decision shall be final.

(e) The costs incurred in arbitration shall be paid by the state university.

(f) If the parties cannot agree upon an arbitrator, either party may petition the Federal Mediation Service, the State Conciliation Service, or the American Arbitration Association for a list of seven qualified, disinterested persons, from which list each party shall alternate in striking three names, and the remaining person shall be designated as the arbitrator.

The grievance procedure established pursuant to this section shall be exclusive with respect to any grievance which is not subject to a State Personnel Board hearing. In the case of a grievance or disciplinary action which is subject to a State Personnel Board hearing, pursuant to Sections 89535 to 89539, inclusive, and Section 89542 the procedures provided for in those sections or those provided for in this section may be utilized. The academic employee shall have the choice of which procedures shall be utilized.

For purposes of this section, a "grievance" is an allegation by an employee that the employee was directly wronged in connection with the rights accruing to his or her job classification, benefits, working conditions, appointment, reappointment, tenure, promotion, reassignment, or the like. A grievance does not include matters, such as the salary structure, which require legislative action.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 131. Section 89545 of the Education Code is amended to read:

89545. (a) Whenever a new campus of the California State University is established and an employee is transferred from an existing campus of the California State University to the newly established campus before or during the first academic year of the newly established campus, each employee so transferred shall be entitled to retain all sickness and injury, all sabbatical and other leave rights, and all seniority and tenure rights accumulated as an employee of the existing campus of the California State University as though the rights had been accumulated as an employee of the newly established campus of the California State University.

Whenever the educational program of a newly established campus of the California State University is, during the first year of its existence, limited to an off-campus educational program rather than a regular educational program, any employee transferring from an existing campus of the California State University to the newly established campus of the California State University before or during the first three academic years of the newly established campus shall be entitled to retain all sickness and injury, all sabbatical and other leave rights, and all seniority and tenure rights accumulated as an employee of the existing campus as though the rights had been accumulated as an employee of the newly established campus.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 132. Section 89550 of the Education Code is amended to read:

89550. (a) It shall be the policy of the California State University to provide stability of employment by foreseeing and avoiding unnecessary reductions in staff. However, when this is not possible due to lack of funds or lack of work, the staff shall be reduced in accordance with this article. The classes or teaching service areas to be reduced and the employees therein to be laid off shall be determined, in accordance with the provisions of this article, by the

president of the campus after consultation with the employees and others in the same classes, specializations within classes, or teaching service areas and other persons as appropriate, including faculty and administrators. The chancellor shall make all determinations for the office of the chancellor.

(b) The office of the Chancellor of the California State University shall make a survey of all campuses in order to ascertain the availability of suitable positions where staff to be laid off may seek relocation. To the extent staff resources permit, similar efforts shall be made with respect to colleges and universities outside the California State University.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 133. Section 89552 of the Education Code is amended to read:

89552. (a) Whenever a determination has been made that there is a lack of funds or lack of work, employees in a class or teaching service area to be reduced shall be laid off in the following order:

(1) The Chancellor of the California State University or a president of a state university may, at his or her discretion, without regard to the class or teaching service area to be reduced, separate from service any student assistant, instructor for extension service, person employed on a temporary basis, or, with respect to employment in a summer session, any member of the faculty of a campus summer session. Persons described in this paragraph, if performing the same or comparable work as that performed by a probationary or permanent employee, shall be separated before any probationary or permanent employee desiring to continue in employment is laid off pursuant to the provisions of this article.

(2) Probationary employees not employed on a temporary basis, without regard to length of service.

(3) Permanent employees:

(A) If the area of layoff is in administrative or nonacademic classes, permanent administrative and nonacademic employees in the inverse order of their length of employment both in the class and in class of equal or higher rank.

(B) If the area of layoff is in class or rank positions, permanent academic employees in the inverse order of their length of employment at the campuses.

(C) If the area of layoff is in the closely related academic area, permanent employees in the inverse order of their length of employment in the class or in classes of equal or higher level at the campuses.

(b) If the layoff is in a class, part-time employees shall be credited with the service at the campus in the proportion that the actual time employed bears to full-time employment. If the layoff is in a teaching service area, part-time permanent employees shall be credited with service as permanent employees of the campus in the proportion that the actual time served as permanent employees bears to full-time employment.

(c) In case two or more employees in the class or teaching service area are tied for a place in the order of layoff, the president or the chancellor, as appropriate to the place of employment, shall determine which of the employees shall be laid off.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 134. The heading of Article 3 (commencing with Section 89560) of Chapter 5 of Part 55 of the Education Code is amended to read:

### Article 3. California State University Police

SEC. 135. Section 89560 of the Education Code is amended to read:

89560. The trustees may appoint one or more persons to constitute a police department for the headquarters and for each campus of the California State University. Persons employed and compensated as members of a California State University police department, when so appointed and duly sworn, are peace officers. However, such peace officers shall not exercise their powers or authority except (a) at the headquarters or upon any campus of the California State University and in an area within one mile of the exterior boundaries of each campus or the headquarters, and in or about other grounds or properties owned, operated, controlled, or administered by the California State University, or by trustees or the state on behalf of the California State University, and (b) as provided in Section 830.2 of the Penal Code.

SEC. 136. Section 89561 of the Education Code is amended to read:

89561. Every member of a California State University police department shall be supplied with, and authorized to wear, a badge bearing the words "California State University Police."

SEC. 137. Section 89701 of the Education Code is amended to read:

89701. The trustees are authorized to acquire, pursuant to the Property Acquisition Law (Part 11 (commencing with Section

15850) of Division 3 of Title 2 of the Government Code) or by lease or other means, real property and to construct, operate, and maintain motor vehicle parking facilities thereon for state university officers, employees, students, or other persons. The trustees may prescribe the terms and conditions of such parking, and of parking on facilities existing on the effective date of this section, including the payment of parking fees in the amounts and under the circumstances determined by the trustees. Varying rates of parking fees may be established for different localities or for different parking facilities. In determining rates of parking fees, the trustees may consider the rates charged in the same locality by other public agencies and by private employers for employee parking, and the rates charged to students by other universities and colleges.

Except as otherwise provided in this section, revenues received by the trustees from any of the motor vehicle parking facilities, as well as from all parking facilities existing on the effective date of this section, shall be transmitted to the Treasurer and shall be deposited by that officer in the State Treasury to the credit of the State University Parking Revenue Fund, which fund is hereby created. The trustees may pledge all or any part of such revenues in connection with bonds or notes issued pursuant to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), in which case such revenues shall be deposited, transmitted, and used in the manner provided by that act. All revenues received by the trustees from parking facilities, to the extent not pledged in connection with bonds or notes issued pursuant to the State University Revenue Bond Act of 1947, are hereby appropriated, without regard to fiscal years, to the trustees for the acquisition, construction, operation, and maintenance of motor vehicle parking facilities on real property acquired hereunder or on real property otherwise under the jurisdiction of the trustees, and for the study of alternate methods of transportation for students and employees of the California State University. Moneys in the State University Parking Revenue Fund may be invested by the Treasurer, upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to such investments shall be collected by the Treasurer, and shall be deposited in the Treasury to the credit of the State University Parking Revenue Fund.

The Legislature by this section does not intend to authorize the institution of a private parking program unrelated to state purposes in competition with private industry.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective

unless approved by the Legislature in the annual Budget Act.

SEC. 138. Section 89702 of the Education Code is amended to read:

89702. The Trustees of the California State University may acquire, pursuant to the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) or by lease or other means, real property and may construct and improve student health centers entirely or in part by the use of funds acquired pursuant to this section.

The trustees may prescribe under Section 89700 a fee to provide for the acquisition, construction, and improvement of the facilities, in the amounts and under the circumstances as may be determined by the trustees.

Except as otherwise provided in this section, revenues received by the trustees from the facilities fee shall be transmitted to the Treasurer and shall be deposited by that officer in the State Treasury to the credit of the State University Facilities Revenue Fund, which fund is hereby created. The trustees may pledge all or any part of such revenues in connection with bonds or notes issued pursuant to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), in which case the revenues shall be deposited, transmitted, and used in the manner provided by that law. All revenues received by the trustees from the facilities fee, to the extent not pledged in connection with bonds or notes issued pursuant to the State University Revenue Bond Act of 1947, are hereby appropriated, without regard to fiscal years, to the trustees for the acquisition, construction, and improvement of student health centers on real property acquired pursuant to this section or on real property otherwise under the jurisdiction of the trustees. Moneys in the State University Facilities Revenue Fund may be invested by the Treasurer, upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to the investments shall be collected by the Treasurer, and shall be deposited in the State Treasury to the credit of the State University Facilities Revenue Fund.

All capital outlay projects in excess of sixty-five thousand dollars (\$65,000) to be constructed with revenue from the fee established pursuant to this section shall be approved by the Legislature.

SEC. 139. Section 89703 of the Education Code is amended to read:

89703. Except as otherwise provided, the total tuition fees charged any student in the California State University shall not exceed twenty-five dollars (\$25) per year or twelve dollars and fifty cents (\$12.50) per term.

SEC. 140. Section 89704 of the Education Code is amended to read:

89704. Notwithstanding any other provision of law to the contrary, revenues received by the Trustees of the California State

University from extension programs, special session, and other self-supporting instructional programs, including but not limited to, fees and charges required by the trustees, shall be transmitted to the Treasurer and shall be deposited by that officer in the State Treasury to the credit of the State University Continuing Education Revenue Fund, which fund is hereby created, and which is hereby designated as successor to the State College Extension Program Revenue Fund.

All revenues are hereby appropriated, without regard to fiscal years, to the trustees for the support and development of self-supporting instructional programs of the California State University. However, proposed expenditures or obligation to be incurred during any fiscal year from the State University Continuing Education Revenue Fund shall be contained in the budget submitted for that fiscal year by the Governor pursuant to Section 12 of Article IV of the Constitution, and shall be subject to the provisions of Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code.

Moneys in the State University Continuing Education Revenue Fund may be invested by the Treasurer, upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to the investments shall be collected by the Treasurer and shall be deposited in the State Treasury to the credit of the State University Continuing Education Revenue Fund.

SEC. 141. Section 89706 of the Education Code is amended to read:

89706. The trustees may, on the basis of demonstrated financial need and scholastic achievement, waive entirely, or reduce below the rate, or the minimum rate, fixed by Section 89705, the tuition fee of a nonresident student, as defined in Section 68018, who is a citizen and resident of a foreign country, who is an undergraduate student of exceptional scholastic ability and prior scholastic achievement, and who is enrolled in a course of study of no less than 10 semester units.

The number of reductions and waivers granted by the trustees under this section shall at no time exceed  $7\frac{1}{2}$  percent of the nonresident undergraduate students who are citizens and residents of a foreign country, then enrolled in the California State University.

SEC. 142. Section 89707 of the Education Code is amended to read:

89707. The trustees may, on the basis of demonstrated financial need and scholastic achievement, waive entirely, or reduce below the rate, or the minimum rate, fixed by Section 89705, the tuition fee of a nonresident student or a nonresident student, as defined in Section 68018, who is a citizen and resident of a foreign country, who is a graduate student of exceptional scholastic ability and prior scholastic achievement, and who, while not employed full time by a state university, is employed 20 hours or more a week by a state university or is enrolled in a course of study of not less than 10



semester or quarter units.

The number of reductions and waivers granted by the trustees under this section shall at no time exceed 25 percent of the nonresident graduate students, including nonresident graduate students who are citizens and residents of a foreign country, then enrolled in the California State University.

SEC. 143. Section 89708 of the Education Code is amended to read:

89708. Tuition fees adequate, in the long run, to meet the cost of maintaining special sessions in the California State University shall be required of, and collected from, students enrolled in each special session under and pursuant to rules and regulations prescribed by the trustees.

"Special sessions," as used in this division, means self-supporting instructional programs conducted by the California State University. The special sessions shall include, but not be limited to, career enrichment and retraining programs. It is the intent of the Legislature that those programs, currently offered on a self-supporting basis by the California State University during summer sessions, may be provided throughout the year, and shall be known as special sessions. The self-supporting special sessions shall not supplant regular course offerings available on a non-self-supporting basis during the regular academic year.

SEC. 144. Section 89710 of the Education Code is amended to read:

89710. To enhance the opportunities for California State University employees to participate in training and career development the trustees may, subject to the rules and regulations they may establish, waive entirely or reduce any or all fees for employees who enroll in work-related courses offered by the California State University necessary for improving skills for existing jobs or advancement in accordance with a career development plan at the California State University.

SEC. 145. Section 89722 of the Education Code is amended to read:

89722. The California State University Trust Fund is hereby created in the State Treasury. Money in the California State University Trust Fund is appropriated to the trustees as provided in Section 89724. Interest accruing upon the investment of moneys of the California State University Trust Fund shall be paid into and credited to such fund. The trustees shall apportion as of June 30 and December 31 of each year the revenues earned and deposited in the fund during the six calendar months ending with those dates. There shall be apportioned and credited to each campus of the California State University having deposits in the fund, an amount directly proportionate to the total deposits in the fund and the length of time the deposits remained therein. The chief fiscal officer of each campus of the California State University may allocate further this amount to the extent considered necessary.

SEC. 146. Section 89723 of the Education Code is amended to read:

89723. The trustees are vested with all necessary power to perform acts, receive and expend funds, and cooperate with state and federal agencies as provided in Section 12400 for the purpose of receiving and spending the funds provided by the act of Congress entitled "An act to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs; and for other purposes" (National Defense Education Act of 1958), approved September 2, 1958, and the act of Congress entitled "An act to amend the Public Health Service Act to increase the opportunities for training professional nursing personnel, and for other purposes" (Nurse Training Act of 1964), approved September 4, 1964.

The trustees may provide for the establishment and maintenance of student loan funds pursuant to those acts of Congress. Money allocated for the purpose of establishing a student loan fund at a campus of the California State University may be withdrawn from the State Treasury and deposited to the credit of that institution in a trust account in accordance with the provisions of Sections 16305 to 16305.7, inclusive, of the Government Code for the purpose of making loans to students in accordance with the federal acts.

SEC. 147. Section 89724 of the Education Code, as added by Section 4 of Chapter 254 of the Statutes of 1981, is amended to read:

89724. (a) All money received from the sale of publications pursuant to Section 90500, all money received under an agreement entered into pursuant to Section 89036, and except as to the fees and charges specified in subdivisions (g) and (h) of Section 89721, all money collected as fees from students in any state university and from other persons under Section 89030, Sections 89036 to 89040, inclusive, and Sections 89700, 89705, 89708, 89709, 89720, and 89721, and by reason of Section 2080.9 of the Civil Code, is hereby appropriated for the support of the California State University in addition to such other amounts as may be appropriated therefor by the Legislature. Money received under Sections 89720 and 89721, or received by reason of Section 2080.9 of the Civil Code, is appropriated without regard to fiscal year. Money received by reason of Section 2080.9 of the Civil Code shall be used for student scholarships and loans pursuant to such regulations as the trustees shall provide, and while held pending the grant of a scholarship or loan, may be invested by the Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to such investment shall also be used for those scholarships and loans. Money received by reason of Sections 89720 and 89721 may be invested by the Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code, in which case all interest and other earnings received pursuant to the investment of money received under Sections 89720 and 89721 shall also be used for such purposes as may be established by the trustees

consistent with the terms and conditions of the gift, bequest, devise, donation, or agreement under Sections 89720 and 89721. Except as otherwise provided with respect to money received by reason of Section 2080.9 of the Civil Code and Sections 89720 and 89721 of this code, all money received pursuant to this section shall augment the support appropriation to the California State University for the fiscal year to which the collections apply.

(b) All money received from the sale or the disposition of real property acquired by or on behalf of a particular state university by gift, devise, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for the acquisition and improvement of real property for such particular state university, in addition to such other amounts as may be appropriated therefor by the Legislature. All money received from the sale or other disposition of personal property, other than money, acquired by or on behalf of a particular state university by gift, bequest, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for, or the acquisition and improvement of real or personal property for, the particular state university, in addition to such other amounts as may be appropriated therefor by the Legislature. No money shall be expended by the trustees under this subdivision without the approval of the Director of Finance. The money shall augment the support or capital outlay appropriation of the California State University current at the date of issuance of the Controller's receipt therefor as may be designated by the trustees prior to their deposit in the State Treasury.

(c) This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 148. Section 89724 of the Education Code, as added by Section 6 of Chapter 254 of the Statutes of 1981, is amended to read:

89724. (a) All money received from the sale of publications pursuant to Section 90500, all money received under an agreement entered into pursuant to Section 89036, and except as to the fees and charges specified in subdivision (g) of Section 89721, all money collected as fees from students in any state university and from other persons under Section 89030, Sections 89036 to 89040, inclusive, and Sections 89700, 89705, 89708, 89709, 89720, and 89721, and by reason of Section 2080.9 of the Civil Code, is hereby appropriated for the support of the California State University in addition to such other amounts as may be appropriated therefor by the Legislature. Money received under Sections 89720 and 89721, or received by reason of Section 2080.9 of the Civil Code, is appropriated without regard to fiscal year. Money received by reason of Section 2080.9 of the Civil Code shall be used for student scholarships and loans pursuant to such regulations as the trustees shall provide, and while held pending the grant of a scholarship or loan, may be invested by the Treasurer

upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to such investment shall also be used for such scholarships and loans. Money received by reason of Sections 89720 and 89721 may be invested by the Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code, in which case all interest and other earnings received pursuant to that investment shall also be used for the purposes established by the trustees consistent with the terms and conditions of the gift, bequest, devise, donation, or agreement under Sections 89720 and 89721. Except as otherwise provided with respect to money received by reason of Section 2080.9 of the Civil Code and Sections 89720 and 89721 of this code, all money received pursuant to this section shall augment the support appropriation to the California State University for the fiscal year to which the collections apply.

(b) All money received from the sale or the disposition of real property acquired by or on behalf of a particular state university by gift, devise, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for the acquisition and improvement of real property for the particular state university, in addition to other amounts as may be appropriated therefor by the Legislature. All money received from the sale or other disposition of personal property, other than money, acquired by or on behalf of a particular state university by gift, bequest, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for, or the acquisition and improvement of real or personal property for, the particular state university or college, in addition to other amounts as may be appropriated therefor by the Legislature. No money shall be expended by the trustees under this subdivision without the approval of the Director of Finance. The money shall augment the support or capital outlay appropriation of the California State University current at the date of issuance of the Controller's receipt therefor as may be designated by the trustees prior to their deposit in the State Treasury.

(c) This section shall become operative January 1, 1986.

SEC. 149. Section 89725 of the Education Code is amended to read:

89725. Notwithstanding any other provision of law to the contrary, grants, revenues, and funds of any nature received by the trustees for research, workshops, conferences, institutes, and special projects from the state, federal government, local government, or private persons, may be transmitted to the Treasurer and, if transmitted, shall be deposited in the State Treasury to the credit of the California State University Special Projects Fund, which fund is hereby created.

All such grants, revenues, and funds are hereby appropriated

without regard to fiscal years to the trustees for the operation, support, and development of research, workshops, conferences, institutes, and special projects in the California State University.

Provision shall be made by the trustees for reimbursements to the General Fund for the cost of space and services furnished to projects funded by the California State University Special Projects Fund.

Notwithstanding any other provision of the law to the contrary, the trustees shall have authority to establish the rules and procedures under which the fund shall operate. All expenditures shall be made in accordance with the rules and procedures, without prior approval of the Department of General Services or the Department of Finance. All expenditures shall receive an annual postaudit by the Audits Division of the Department of Finance.

Moneys in the California State University Special Projects Fund may be invested by the Treasurer, upon approval of the trustees in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to those investments shall be collected by the Treasurer and shall be deposited in the State Treasury to the credit of the California State University Special Projects Fund.

SEC. 150. Section 89750 of the Education Code is amended to read:

89750. The trustees shall control and expend all money appropriated for the support and maintenance of the California State University, and all money received as donations pursuant to Section 89720.

SEC. 151. Section 89753 of the Education Code is amended to read:

89753. All appropriations for the support of the California State University and the trustees shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions, with the following exceptions:

(a) The trustees may approve any transfer of funds within functions for which funds are appropriated for the support of the California State University. In addition, the trustees may authorize the augmentation of the amount available for a category designated in any schedule set forth for the appropriation by transfer from any of the other designated categories, including additional reimbursements within the same schedule, and shall furnish the Joint Legislative Budget Committee a report of the authorizations given during the preceding quarter.

(b) The trustees may approve the substitution of one item of equipment for another within budgetary functions and the use of savings in equipment allotments.

(c) The trustees may approve travel, both within and outside the state, and the payment of allowances and expenses related to travel, moving, and the relocation of employees in accordance with the allowances established by the State Board of Control and within funds appropriated for this purpose.

(d) The trustees may, within funds appropriated for the support of the California State University, establish new positions and make changes in existing positions and the position payroll roster. However, all new positions and significant changes, as defined by the Department of Finance, in grade or class of existing positions shall be shown as administrative adjustments in the subsequent budgetary submissions and shall be subject to review during the legislative budget process.

SEC. 152. Section 89756 of the Education Code is amended to read:

89756. Notwithstanding any other provision of law, the chief administrative officer of each campus of the California State University shall be responsible for the propriety of the expenditure, and the integrity of the financial reporting, of the following funds received by the campus:

- (1) State appropriations.
- (2) Gifts.
- (3) Bequests.
- (4) Trust funds.
- (5) Grants, loans, or combinations thereof.

The chief administrative officer shall also be responsible for the propriety of all expenditures, and the integrity of the financial reporting, made by auxiliary organizations. The chief administrative officer of a state university is, for the purpose of this section, the president of the university.

SEC. 153. Section 89758 of the Education Code is amended to read:

89758. Notwithstanding any other provision of law, obligations may be incurred for the summer quarter operation in the California State University at campuses on year-round operations, subsequent to enactment of a Budget Act and prior to July 1, payable from the appropriations contained in such Budget Act for those purposes. The obligations and the payment thereof shall be subject to Section 89753.

SEC. 154. Section 89901 of the Education Code is amended to read:

89901. As used in this article, the term "auxiliary organization" includes the following entities:

(a) Any entity in which any official of the California State University participates as a director as part of his or her official position.

(b) Any entity formed or operating pursuant to Article 1 (commencing with Section 89300) of Chapter 3.

(c) Any entity which operates a commercial service for the benefit of a campus of the California State University on a campus or other property of the California State University.

(d) Any entity whose governing instrument provides in substance both of the following:

(1) That its purpose is to promote or assist any campus of the California State University, or to receive gifts, property, and funds to

be used for the benefit of such campus or any person or organization having an official relationship therewith.

(2) That any of its directors, governors, or trustees are either appointed or nominated by, or subject to, the approval of an official of any campus of the California State University, or selected, ex officio, from the membership of the student body or the faculty or the administrative staff of campus.

(e) Any entity whose governing instrument provides in substance both of the following:

(1) That its purpose is to promote or assist the trustees of the California State University, or to receive gifts, property, and funds to be used for the benefit of the trustees of the California State University or any person or organization having an official relationship therewith.

(2) That any of its directors, governors, or trustees are either appointed or nominated by, or subject to, the approval of the trustees or an official of the California State University, or selected, ex officio, from the membership of the trustees or the administrative staff of the California State University.

(f) Any entity which, exclusive of the foregoing subdivisions of this section, is designated as an auxiliary organization by the trustees.

SEC. 155. Section 89902 of the Education Code is amended to read:

89902. This article shall not apply to any student body organization not formed or operating pursuant to Article 1 (commencing with Section 89300) of Chapter 3 nor to any student or faculty society, social club, fraternity, or sorority, nor to any alumni association, whether officially recognized as a campus organization or not, unless it is described in Section 89901.

This section shall not be construed to alter or limit the powers of the trustees to establish rules and regulations governing organizations which maintain an official relationship with any campus of the California State University or which use the name or facilities of the campus.

SEC. 156. Section 89903 of the Education Code is amended to read:

89903. Each auxiliary organization formed pursuant to this article, shall have a board of directors composed, both as to size and categories of membership, in accordance with regulations established by the Trustees of the California State University.

Each governing board shall, during each fiscal year, hold at least one business meeting each quarter. The board shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in this state and at least one licensed certified public accountant. Neither the attorney at law nor the certified public accountant need be members of the board.

No auxiliary organization shall accept any grant, contract, bequest, trust, or gift, unless it is so conditioned that it may be used only for purposes consistent with policies of the trustees.

Each governing board of an auxiliary organization shall conduct its business in public meetings in accordance with the provisions of Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 157. Section 89905 of the Education Code is amended to read:

89905. Operations of commercial services on a campus of the California State University, such as a food service or bookstore, or any commercial services that may be provided in a state university union, shall, when operated by an auxiliary organization, be self-supporting.

Any surplus funds from commercial operations shall be used for such purposes as are consistent with regulations of the trustees.

SEC. 158. Section 90002 of the Education Code is amended to read:

90002. All student housing and any other related facilities operated by the College Auxiliary Enterprise Fund are hereby designated a "project" under the State College Revenue Bond Act of 1947 and subject to the provisions of that act. All assets, liabilities, and fund balances of the College Auxiliary Enterprise Fund are hereby transferred from that fund to a separate account to be established by the trustees within the California State University Dormitory Revenue Fund.

SEC. 159. Section 90011 of the Education Code is amended to read:

90011. The following terms wherever used or referred to in this article, or in any indenture entered into pursuant hereto, shall have the following meanings, respectively, unless a different meaning appears from the context:

(a) "Board" means the Trustees of the California State University.

(b) "State university" and "campus of the California State University" each means any of the institutions included within the California State University as specified in Section 89001.

(c) "Project" means any one or more dormitories or other housing facilities, boarding facilities, student union or activity facilities, vehicle parking facilities or any other auxiliary or supplementary facilities for individual or group accommodation, owned or operated or authorized to be acquired, constructed, furnished, equipped, and operated by the board for use by students, faculty members, or other employees of any one or more campuses of the California State University, or a combination of those facilities, which may include facilities already completed and facilities authorized for future completion, designated by the board as a project in providing for the issuance of revenue bonds or notes.

(d) "Bonds" or "revenue bonds" mean the written evidence of any obligation, other than revenue bond anticipation notes, issued by the board with the approval of the State Board of Control, payment of which is secured by a pledge of revenues or any part of revenues, as provided in this article, in order to obtain funds with which to carry out the purposes of this article, irrespective of the form of the



obligations.

(e) "Notes" and "revenue bond anticipation notes" mean the written evidence of any obligation issued by the board, pursuant to Section 90013, in anticipation of the sale of revenue bonds, for the purpose of obtaining funds to carry out the purposes of this article.

(f) "Revenues" mean and include any and all fees, rates, rentals, and other charges received or receivable in connection with, and any and all other incomes and receipts of whatever kind and character derived by, the board from the operation of, or arising from, a project, including any revenue that may have been, or may be, impounded or deposited in any fund in the State Treasury created by this article for the security of any notes or bonds issued hereunder, or for the purpose of providing for the payment thereof, or the interest thereon.

(g) The "holder of bonds" or "bondholder" or any similar terms means any person who shall be the bearer of any outstanding revenue bond or bond registered to bearer or not registered or the registered owner of any outstanding revenue bond or bond which shall at the time be registered other than to bearer.

(h) "Indenture" means an agreement entered into by the board pursuant to which revenue bonds are issued, regardless of whether the agreement is expressed in the form of a resolution of the board or by other instrument.

(i) "Person" includes any individual, firm, corporation, association, copartnership, trust, business trust or receiver or trustee or conservator for any thereof, but does not include this state or any public corporation, political subdivision, city, county, district, or any agency thereof or of this state.

(j) (1) The present tense includes the past and future tenses; and the future, the present.

(2) The masculine gender includes the feminine and neuter.

(3) The singular number includes the plural, and the plural the singular.

(4) "Shall" is mandatory and "may" is permissive.

SEC. 160. Section 90073 of the Education Code is amended to read:

90073. The proceeds from the sale of all bonds and notes authorized under the provisions of this article, except those proceeds used to redeem outstanding notes, shall be deposited forthwith by the Treasurer, on order of the Controller, in the State Treasury to the credit of a fund to be designated as the California State University Dormitory Construction Fund, which fund is hereby created. The money in the construction fund shall be expended, pursuant to claims filed by the board with the Controller, for the purposes authorized by this article, or as provided in the indenture or notes, and for any other purposes, subject to the restrictions provided by law, by the notes, or by the indenture, that may be authorized by resolution of the board approved by the State Board of Control. Moneys required to meet the costs of acquisition or construction and

all expenses and costs incidental to the acquisition, construction, furnishing, and equipping of any project authorized by this article shall be paid from the construction fund as herein provided upon claim filed by the board and after audit by the Controller in the manner provided by law and upon warrants drawn by the Controller.

SEC. 161. Section 90074 of the Education Code is amended to read:

90074. To the extent and in the manner provided in the indenture or in a resolution authorizing the issuance of notes, all revenues received from the operation of any project acquired or constructed by the board under the provisions of this article shall be transmitted by the board at least once in every calendar month, to the Treasurer. On order of the Controller, the Treasurer shall deposit the revenues in the State Treasury to the credit of the California State University Dormitory Revenue Fund, which fund is hereby created. Moneys in the California State University Dormitory Revenue Fund shall be used to pay the costs of operation and maintenance of the projects authorized by this article, including refunds authorized by Section 90069, to provide the amounts required for interest and redemption of notes and bonds as provided in this article, and for any other purposes authorized by resolution of the board approved by the State Board of Control, subject to any restrictions provided by law, a resolution authorizing the issuance of notes, or the indenture.

SEC. 162. Section 90075 of the Education Code is amended to read:

90075. For the payment of the principal and interest of the notes and bonds authorized to be issued under this article, an interest and redemption fund in the State Treasury is hereby created, to be designated the California State University Dormitory Interest and Redemption Fund. From the money deposited in the California State University Dormitory Construction Fund, the Treasurer, on order of the Controller, shall transfer to the California State University Dormitory Interest and Redemption Fund the sums required to pay the interest as it becomes due on all notes and bonds sold and outstanding for the construction or acquisition of a particular project authorized under this article during the period of actual construction or acquisition thereof and during the period thereafter as may be provided in the indenture or authorized by resolution of the board approved by the State Board of Control. The Treasurer, on order of the Controller, shall thereafter transfer from the California State University Dormitory Revenue Fund to the California State University Dormitory Interest and Redemption Fund the sums required to pay the interest on the notes and bonds and redeem the principal thereof as the interest payments and note and bond redemptions fall due for all notes and bonds issued under the provisions of this article.

SEC. 163. Section 90077 of the Education Code is amended to

read:

90077. Moneys in the California State University Dormitory Construction Fund may be invested by the board, with the approval of the State Board of Control, subject only to limitations which may be provided in any resolution authorizing the issuance of revenue bond anticipation notes or in any indenture providing for the issuance of revenue bonds. All securities or other investments made under the provisions of this article shall be held by the Treasurer as custodian thereof. All interest or other earnings received pursuant to the investments shall be collected by the Treasurer, and, on order of the Controller, shall be deposited in the State Treasury to the credit of the fund from which interest or other earnings are derived.

SEC. 164. Section 90078 of the Education Code is amended to read:

90078. After all of the notes and revenue bonds shall have been fully paid and discharged, or provision for their payment and discharge irrevocably made, any surplus moneys in the California State University Dormitory Construction Fund shall, subject to the limitations and restrictions in any resolution authorizing the issuance of the notes or in any indenture providing for the issuance of the revenue bonds, remain available for the acquisition of sites for, and for the construction, equipping and furnishing of, buildings for the California State University.

SEC. 165. Section 90100 of the Education Code is amended to read:

90100. This chapter may be cited as the California State University Contract Law.

SEC. 166. Section 90101 of the Education Code is amended to read:

90101. As used in this chapter:

(a) "Project" includes the erection, construction, alteration, painting, repair, or improvement of any state structure, building, road, or other state improvement of any kind which will exceed in cost a total of ten thousand dollars (\$10,000).

(b) "Trustees" mean the Trustees of the California State University.

(c) "Service contract" means any contract for services in connection with a project other than a project contract, and includes, but is not limited to, contracts for architectural, engineering, planning, testing, general studies, or feasibility services.

SEC. 167. Section 90126 of the Education Code is amended to read:

90126. The trustees may receive bids for the construction of several public works projects at one campus of the California State University as a single project. Where more than one appropriation has been made for the several projects united as a single project under the provisions of this section, payments for the single project shall be made from the separate appropriations on such proportional basis as may be determined by the trustees and approved by the

Department of Finance.

SEC. 168. Section 90400 of the Education Code is amended to read:

90400. (a) The California Polytechnic State University included within the California State University is comprised of a campus or complex of buildings, facilities, and land situated within the County of San Luis Obispo.

(b) The California State Polytechnic University included within the California State University is comprised of a campus or complex of buildings, facilities, and land situated within the County of Los Angeles and within or near the City of Pomona and the City of San Dimas.

SEC. 169. Section 90401 of the Education Code is amended to read:

90401. The trustees may provide for the establishment of a separate California State Polytechnic University at the campus or complex situated in the County of Los Angeles, more particularly described in subdivision (b) of Section 90400, and may execute any necessary agreements and receive, on behalf of the state, any property or interest in property which may be conveyed to the state in connection therewith or for any purposes of this section.

From and after the date upon which final action for the establishment of such separate university has been taken by the trustees, there shall be, within the California State University, two separate California state polytechnic universities, comprised of the respective campuses or complexes described in Section 90400. The provisions of Section 89067, the provisions of Sections 90404 to 90406, inclusive, and any provisions of law limited in applicability specifically to the California State Polytechnic University, unless otherwise therein specified, shall be deemed applicable to either or both of such California state polytechnic universities.

SEC. 170. Section 90420 of the Education Code is amended to read:

90420. Notwithstanding any other provision of law, the Director of General Services, with the approval of the State Public Works Board and the Trustees of the California State University, may rent, lease, sell, trade, or otherwise dispose of the property belonging to the state and used as California State University, Fresno, Ratcliffe Stadium, located on Blackstone Avenue between University Avenue and Cambridge Avenue in the City of Fresno, California.

All proceeds derived from the rental, lease, sale, trade, or other disposition shall be used for the acquisition, construction, improvement, or leasing of an athletic stadium for California State University, Fresno, and are hereby appropriated for the purposes described herein without regard to fiscal year.

SEC. 171. Section 90510 of the Education Code is amended to read:

90510. The president of each campus of the California State University shall provide for the annual cleaning, sterilizing, and

necessary repair of football equipment of his or her campus of the California State University pursuant to Sections 90511 and 90512.

SEC. 172. Section 94302 of the Education Code is amended to read:

94302. As used in this chapter, unless the context requires otherwise:

(a) "Agent" means any person who, at a place away from the principal school premises or site of instruction, whose primary task is to serve as a paid recruiter, while owning an interest in, employed by, or representing for remuneration or other consideration a private postsecondary educational institution located within or without this state, offers or attempts to secure enrollment of any person within this state or accepts application fees or admissions fees for education in an institution. Administrators and faculty who make informational public appearances are exempted from this definition.

(b) "Agent's permit" means a nontransferable written document issued to an agent pursuant to the provisions of this chapter by the Superintendent of Public Instruction.

(c) "Approval to operate" means that the institution so approved has met recognized and accepted standards as determined by the Superintendent of Public Instruction in carrying out the provisions of this chapter to operate a postsecondary educational institution in this state.

(d) "Authorization to operate" means that the institution so authorized has been granted permission by the Superintendent of Public Instruction to operate as a postsecondary educational institution.

(e) "Council" means the Council for Private Postsecondary Educational Institutions established pursuant to Section 94304.

(f) "Degree" means any "academic degree" or "honorary degree" or title of any designation, mark, appellation, series of letters or words such as, but not limited to, associate, bachelor, master, doctor, or fellow which signifies, purports, or is generally taken to signify satisfactory completion of the requirements of an academic, educational, technological, or professional program of study beyond the secondary school level or is an honorary title conferred for recognition of some meritorious achievement.

(g) "Diploma" means any "diploma," "certificate," "transcript," "document," or other writing in any language other than a degree.

(h) "Education" or "education services" includes, but is not limited to, any class, course, or program of training, instruction, or study.

(i) "Superintendent" refers to the Superintendent of Public Instruction.

(j) "To offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting, or encouraging any person, directly or indirectly, in any form, to perform the act described.

(k) "To operate" an educational institution, or like term, means to establish, keep, or maintain any facility or location in this state

where, from, or through which educational services are offered or educational degrees or diplomas are offered or granted.

(l) "Postsecondary educational institution" or "institution" includes, but is not limited to, an academic, vocational, technical, business, professional, home study school, college, or university, or other organization (comprised of a person, firm, association, partnership, or corporation) which offers educational degrees or diplomas, or offers instruction or educational services primarily to persons who have completed or terminated their secondary education or who are beyond the age of compulsory high school attendance. Auxiliary organizations of the California State University are not included within this division and are not governed by this article.

(m) "Vocational objective" means an objective which is ordinarily attained upon completion of a course which qualifies the person or leads to employment in a recognized occupation listed in the latest "Dictionary of Occupational Titles," issued by the United States Department of Labor, or declared by that department to be eligible for such listing, or leading to an employable objective determined by the council.

(n) "Professional objective" means an objective which ordinarily is attained upon the completion of a curriculum or program of studies leading to a recognized profession or semiprofession.

(o) "Educational objective" means an objective which ordinarily is attained upon the completion of a program consisting of any curriculum, or any combination of unit courses or subjects offered by an educational institution which normally leads to earning a college degree.

(p) "Technological objective" means one which is ordinarily attained upon completion of a curriculum or program of studies which emphasizes the application of principles to the solution of practical problems rather than the theoretical development of those principles.

(q) "Accredited" means that an institution has been recognized or approved as meeting the standards established by an accrediting agency recognized by the United States Department of Education or the Committee of Bar Examiners for the State of California. It shall not include those institutions which have applied for accreditation and are candidates for accreditation or have provisional accreditation.

(r) "Occupational skill, knowledge, or ability" means any fundamental or advanced competency which increases an individual's employability or potential, effectiveness, or expertise in a vocation or profession, including, but not limited to, self-employment, business, or financial ventures.

(s) "Instruction" includes any specific, formal arrangement by an institution for its enrollees to participate in learning experiences wherein the institution's faculty or contracted instructors present a planned curriculum appropriate to the enrollee's educational

program.

(t) "Certificate of authorization for service" means a written, nontransferable document issued by the superintendent authorizing an individual to be an instructor or administrator in any private postsecondary institution in California which is approved under subdivision (d) of Section 94311.

SEC. 173. Section 12041 of the Food and Agricultural Code is amended to read:

12041. (a) There is in the department an Agricultural Pest Control Advisory Committee consisting of 12 members. The committee shall be appointed by the director and shall be composed of two pest control research specialists, one of whom shall specialize in biological control, one agricultural extension service specialist nominated by the Regents of the University of California, and nine additional members, one each representing the following: the Trustees of the California State University, the Board of Governors of the California Community Colleges, agricultural pest control advisers, licensed pest control operators, the State Department of Health Services, the Department of Fish and Game, producers as defined in Section 56110, the agricultural chemical industry, and the department. The director may appoint one additional member on the committee, who shall be a public member.

(b) Upon the director's request, the committee shall submit to the director the names of three or more natural persons, each of whom shall be a citizen and resident of this state, for appointment by the director as a public member of the committee. The director may appoint one of the nominees as the public member on the committee. If all nominees are unsatisfactory to the director, the committee shall continue to submit lists of nominees until the director has made a selection. Any vacancy in the office of the public member of the committee shall be filled by appointment by the director from the nominee or nominees similarly qualified submitted by the committee. The public member of the committee shall represent the interests of the general public in all matters coming before the committee and shall have the same voting and other rights and immunities as other members of the committee.

SEC. 174. Section 7.6 of the Government Code is amended to read:

7.6. Whenever, by any law, any officer whose office is created by the California Constitution is made a member of a state board, commission, or committee, or of the governing body of any state agency or authority, such officer may designate a deputy of his or her office holding a position specified in subdivision (c) of Section 4 of Article VII of the California Constitution to act as the member in the constitutional officer's place and stead, to all intents and purposes as though the constitutional officer were personally present, including the right of the deputy to be counted in constituting a quorum, to participate in the proceedings of the board, commission, committee, or other governing body, and to vote upon any and all matters. The

constitutional officer so designating a deputy shall be responsible for the acts of the deputy acting under the designation in the same manner and to the same extent that the constitutional officer is responsible for the acts of the deputy performing his or her official duties as a deputy of the office of the constitutional officer.

The Lieutenant Governor may designate any person in his or her office holding a position specified in subdivision (c) or (f) of Section 4 of Article VII of the California Constitution to act as a deputy for the purposes of this section only. However, the Lieutenant Governor may not appoint a person to act as a deputy for him or her at meetings of the Senate, or of the Regents of the University of California, or of the Trustees of the California State University.

The Attorney General may also designate any person in his or her office holding a position specified in subdivision (m) of Section 4 of Article VII of the California Constitution to act as a deputy for the purpose of this section. However, no person designated by the Attorney General pursuant to this section to act as a member on any state board, commission, committee, or governing body of which the Attorney General is presiding officer shall act as presiding officer in his or her place.

The Superintendent of Public Instruction may designate any person in his or her office holding a position specified in Section 2.1 of Article IX of the California Constitution to act as a deputy for the purposes of this section. However, the Superintendent of Public Instruction may not appoint a person to act as a deputy for him or her at meetings of the State Board of Education, of the Regents of the University of California, or of the Trustees of the California State University.

Notwithstanding the foregoing provisions of this section, not more than one officer subject to this section shall be represented by a deputy subject to this section at any meeting or session of the State Lands Commission.

SEC. 175. Section 3202 of the Government Code is amended to read:

3202. This chapter applies to all officers and employees of a state or local agency.

(a) "Local agency" means a county, city, city and county, political subdivision, district other than a school district, or municipal corporation. Officers and employees of a given local agency include officers and employees of any other local agency whose principal duties consist of providing services to the given local agency.

(b) "State agency" means every state office, department, division, bureau, board, commission, superior court, court of appeal, the Supreme Court, the California State University, the University of California, and the Legislature.

SEC. 176. Section 3560 of the Government Code is amended to read:

3560. The Legislature hereby finds and declares that:

(a) The people of the State of California have a fundamental



interest in the development of harmonious and cooperative labor relations between the public institutions of higher education and their employees.

(b) All other employees of the public school systems in the state have been granted the opportunity for collective bargaining through the adoption of Chapter 10.3 (commencing with Section 3512) and Chapter 10.7 (commencing with Section 3540), and it would be advantageous and desirable to expand the jurisdiction of the board created thereunder to cover the employees of the University of California, Hastings College of the Law, and the California State University. These institutions of higher education have their own organizational characteristics.

(c) The people of the State of California have established a system of higher education under the Constitution of the State of California with the intention of providing an academic community with full freedom of inquiry and insulation from political influence in the administration thereof. In so doing, the people have caused to be created the regents to govern the University of California, a board of directors to govern Hastings College of the Law, an affiliate of the University of California, and a board of trustees to govern the California State University.

(d) The people and the aforementioned higher education employers each have a fundamental interest in the preservation and promotion of the responsibilities granted by the people of the State of California. Harmonious relations between each higher education employer and its employees are necessary to that endeavor.

(e) It is the purpose of this chapter to provide the means by which relations between each higher education employer and its employees may assure that the responsibilities and authorities granted to the separate institutions under the Constitution and by statute are carried out in an atmosphere which permits the fullest participation by employees in the determination of conditions of employment which affect them. It is the intent of this chapter to accomplish this purpose by providing a uniform basis for recognizing the right of the employees of these systems to full freedom of association, self-organization, and designation of representatives of their own choosing for the purpose of representation in their employment relationships with their employers and to select one of these organizations as their exclusive representative for the purpose of meeting and conferring.

SEC. 177. Section 3561 of the Government Code is amended to read:

3561. (a) It is the further purpose of this chapter to provide orderly and clearly defined procedures for meeting and conferring and the resolution of impasses, and to define and prohibit certain practices which are inimical to the public interest.

(b) The Legislature recognizes that joint decisionmaking and consultation between administration and faculty or academic employees is the long-accepted manner of governing institutions of

higher learning and is essential to the performance of the educational missions of these institutions, and declares that it is the purpose of this chapter to both preserve and encourage that process. Nothing contained in this chapter shall be construed to restrict, limit, or prohibit the full exercise of the functions of the faculty in any shared governance mechanisms or practices, including the Academic Senate of the University of California and the divisions thereof, the Academic Senates of the California State University, and other faculty councils, with respect to policies on academic and professional matters affecting the California State University, the University of California, or Hastings College of the Law. The principle of peer review of appointment, promotion, retention, and tenure for academic employees shall be preserved.

(c) It is the policy of the State of California to encourage the pursuit of excellence in teaching, research, and learning through the free exchange of ideas among the faculty, students, and staff of the University of California, Hastings College of the Law, and the California State University. All parties subject to this chapter shall respect and endeavor to preserve academic freedom in the University of California, Hastings College of the Law, and the California State University.

SEC. 178. Section 3562 of the Government Code is amended to read:

3562. As used in this chapter:

(a) "Arbitration" means a method of resolving a rights dispute under which the parties to a controversy must accept the award of a third party.

(b) "Board" means the Public Employment Relations Board established pursuant to subdivision (g) of Section 3513.

(c) "Certified organization" means an employee organization which has been certified by the board as the exclusive representative of the employees in an appropriate unit after a proceeding under Article 5 (commencing with Section 3573).

(d) "Meet and confer" means the performance of the mutual obligation of the higher education employer and the exclusive representative of its employees to meet at reasonable times and to confer in good faith with respect to matters within the scope of representation and to endeavor to reach agreement on matters within the scope of representation. The process should include adequate time for the resolution of impasses. If agreement is reached between representatives of the higher education employer and the exclusive representative, they shall jointly prepare a written memorandum of the understanding which shall be presented to the higher education employer for concurrence. However, these obligations do not compel either party to agree to any proposal or require the making of a concession.

(e) "Confidential employee" means any employee who is required to develop or present management positions with respect to meeting and conferring or whose duties normally require access

to confidential information which contributes significantly to the development of management positions.

(f) "Employee" or "higher education employee" means any employee of the Regents of the University of California, the Directors of Hastings College of the Law, or the Board of Trustees of the California State University, whose employment is principally within the State of California. However, managerial and confidential employees shall be excluded from coverage under this chapter. The board may find student employees, whose employment is contingent on their status as students, are employees only if the services they provide are unrelated to their educational objectives, or, that those educational objectives are subordinate to the services they perform and that coverage under this chapter would further the purposes of this chapter.

(g) "Employee organization" means any organization of any kind in which higher education employees participate and which exists for the purpose, in whole or in part, of dealing with higher education employers concerning grievances, labor disputes, wages, hours, and other terms and conditions of employment of employees. Employee organization shall also include any person such an organization authorizes to act on its behalf. An academic senate, or other similar academic bodies, or divisions thereof, shall not be considered employee organizations for the purposes of this chapter.

(h) "Employer" or "higher education employer" means the regents in the case of the University of California, the directors in the case of Hastings College of the Law, and the trustees in the case of the California State University, including any person acting as an agent of an employer.

(i) "Employer representative" means any person or persons authorized to act in behalf of the employer.

(j) "Exclusive representative" means any recognized or certified employee organization or person it authorizes to act on its behalf.

(k) "Impasse" means that the parties have reached a point in meeting and conferring at which their differences in positions are such that further meetings would be futile.

(l) "Managerial employee" means any employee having significant responsibilities for formulating or administering policies and programs. No employee or group of employees shall be deemed to be managerial employees solely because the employee or group of employees participate in decisions with respect to courses, curriculum, personnel, and other matters of educational policy. A department chair or head of a similar academic unit or program who performs the foregoing duties primarily on behalf of the members of the academic unit or program shall not be deemed a managerial employee solely because of those duties.

(m) "Mediation" means the efforts of a third person, or persons, functioning as intermediaries, to assist the parties in reaching a voluntary resolution to an impasse.

(n) "Person" means one or more individuals, organizations,

associations, corporations, boards, committees, commissions, agencies, or their representatives.

(o) "Professional employee" means:

(1) Any employee engaged in work: (i) predominately intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

(2) Any employee who: (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (1), and (ii) is performing related work under the supervision of a professional person to qualify himself or herself to become a professional employee as defined in paragraph (1).

(p) "Recognized organization" means an employee organization which has been recognized by an employer as the exclusive representative of the employees in an appropriate unit pursuant to Article 5 (commencing with Section 3573).

(q) For purposes of the University of California only, "scope of representation" means, and is limited to, wages, hours of employment, and other terms and conditions of employment. The scope of representation shall not include:

(1) Consideration of the merits, necessity, or organization of any service, activity, or program established by law or resolution of the regents or the directors, except for the terms and conditions of employment of employees who may be affected thereby.

(2) The amount of any fees which are not a term or condition of employment.

(3) Admission requirements for students, conditions for the award of certificates and degrees to students, and the content and supervision of courses, curricula, and research programs, as those terms are intended by the standing orders of the regents or the directors.

(4) Procedures and policies to be used for the appointment, promotion, and tenure of members of the academic senate, the procedures to be used for the evaluation of the members of the academic senate, and the procedures for processing grievances of members of the academic senate. The exclusive representative of members of the academic senate shall have the right to consult and be consulted on matters excluded from the scope of representation pursuant to this paragraph. If the academic senate determines that any matter in this paragraph should be within the scope of representation, or if any matter in this paragraph is withdrawn from

the responsibility of the academic senate, the matter shall be within the scope of representation.

All matters not within the scope of representation are reserved to the employer and may not be subject to meeting and conferring, except that nothing in this subdivision is to be construed to limit the right of the employer to consult with any employees or employee organization on any matter outside the scope of representation.

(r) For purposes of the California State University only, "scope of representation" means, and is limited to, wages, hours of employment, and other terms and conditions of employment. The scope of representation shall not include:

(1) Consideration of the merits, necessity, or organization of any service, activity, or program established by statute or regulations adopted by the trustees, except for the terms and conditions of employment of employees who may be affected thereby.

(2) The amount of any student fees which are not a term or condition of employment.

(3) Admission requirements for students, conditions for the award of certificates and degrees to students, and the content and conduct of courses, curricula, and research programs.

(4) Criteria and standards to be used for the appointment, promotion, evaluation, and tenure of academic employees, which shall be the joint responsibility of the academic senate and the trustees. The exclusive representative shall have the right to consult and be consulted on matters excluded from the scope of representation pursuant to this paragraph. If the trustees withdraw any matter in this paragraph from the responsibility of the academic senate, the matter shall be within the scope of representation.

All matters not within the scope of representation are reserved to the employer and may not be subject to meeting and conferring, except that nothing in this subdivision is to be construed to limit the right of the employer to consult with any employees or employee organization on any matter outside the scope of representation.

SEC. 179. Section 3569.5 of the Government Code is amended to read:

3569.5. (a) The state shall allow up to three employee representatives from each employee organization which represents employees of the California State University reasonable time off during working hours without loss of compensation or other benefits, to attend and make oral presentations at meetings of the Trustees of the California State University, or a committee thereof, held during the working hours of the employees, if a matter affecting conditions of employment is scheduled for consideration.

(b) Any employee organization wishing to send employee representatives to make oral presentations at such a meeting shall submit a request to the trustees far enough in advance to permit scheduling of speakers pursuant to rules and regulations of the trustees. Each employee organization shall be limited to not more than three speakers at any meeting.

(c) Only employee representatives who are named in the request submitted to the trustees as employee representatives who will make an oral presentation, and who intend to make an oral presentation, shall be allowed time off as specified in subdivision (a). Other employees may attend meetings by taking vacation time, compensating time off, or time off without pay if the workload permits, when approved by their supervisor.

(d) Nothing in this section shall preclude the trustees from adopting rules and regulations relating to time off for employees not represented by an employee organization to attend meetings.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to this chapter, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 180. Section 3572 of the Government Code is amended to read:

3572. This section shall apply only to the California State University.

(a) The duty to engage in meeting and conferring requires the parties to begin meeting and conferring at least 60 days prior to the expiration of memoranda of understanding, or the May 1, if earlier, of any year in which a memorandum shall expire, or May 1, if there is no existing memorandum. The California State University shall maintain close liaison with the Department of Finance and the Legislature relative to the meeting and conferring on provisions of the written memoranda which have fiscal ramifications. The Governor shall appoint one representative to attend the meeting and conferring, including the impasse procedure, to advise the parties on the views of the Governor on matters which would require an appropriation or legislative action, and the Speaker of the Assembly and the Senate Rules Committee may each appoint one representative to attend the meeting and conferring to advise the parties on the views of the Legislature on matters which would require an appropriation or legislative action.

No written memoranda reached pursuant to the provisions of this chapter which require budgetary or curative action by the Legislature or other funding agencies shall be effective unless and until the action has been taken. Following execution of written memoranda of understanding, an appropriate request for financing or budgetary funding for all state-funded employees or for necessary legislation will be forwarded promptly to the Legislature and the Governor or other funding agencies. When memoranda require legislative action pursuant to this section, if the Legislature or the Governor fail to fully fund the memoranda or to take the requisite curative action, the entire memoranda shall be referred back to the parties for further meeting and conferring. However, the parties

may agree that provisions of the memoranda which are nonbudgetary and do not require funding shall take effect whether or not the funding requests submitted to the Legislature are approved.

SEC. 181. Section 3586 of the Government Code is amended to read:

3586. The Trustees of the California State University shall continue all payroll assignments authorized by an employee prior to and until recognition or certification of an exclusive representative until notification is submitted by an employee to discontinue the employee's assignments.

SEC. 182. Section 3592 of the Government Code is amended to read:

3592. The panel shall, within 10 days after its appointment, meet with the parties or their representatives and consider their respective positions. The panel may make additional inquiries and investigations, hold hearings, and take other steps which it may deem appropriate. For the purpose of the hearings, investigations, and inquiries, the panel may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence. The Regents of the University of California, the Directors of Hastings College of the Law, and the Trustees of the California State University shall furnish the panel, upon its request, with all records, papers, and information in their possession relating to any matter under investigation by or in issue before the panel, except for those records, books, and information which are confidential by statute.

SEC. 183. Section 4451 of the Government Code is amended to read:

4451. (a) Except as otherwise provided in this section, this chapter shall be limited in its application to all buildings and facilities stated in Section 4450 intended for use by the public, which have any reasonable availability to, or usage by, physically handicapped persons, including all facilities used for education and instruction including the University of California, the California State University, and the various community college districts, which are constructed in whole or in part by the use of state, county, or municipal funds, or the funds of any political subdivision of the state.

(b) Buildings, structures, and facilities, occupied 50 percent or more, which are leased, rented, contracted, sublet, or hired for periods in excess of two years by any municipal, county, or state division of government, or special district shall be made accessible to, and usable by, the physically handicapped. Exceptions to this paragraph may be made upon application to, and approval by, the Department of Rehabilitation.

(c) Except as otherwise provided by law, buildings, structures, sidewalks, curbs, and related facilities subject to the provisions of this chapter or Part 5.5 (commencing with Section 19955) of Division 13 of the Health and Safety Code shall conform to the building standards published in the State Building Standards Code relating to

access for the physically handicapped and the other regulations adopted pursuant to Section 4450 which are in effect on the date a building permit is issued therefor. With respect to buildings, structures, sidewalks, curbs, and related facilities for which a building permit is not required, building standards published in the State Building Standards Code relating to access for the physically handicapped and other regulations adopted pursuant to Section 4450 which are in effect at the time construction is commenced shall be applicable.

(d) Until building standards are published in the State Building Standards Code and other regulations are adopted by the State Architect pursuant to Section 4450, buildings, structures, sidewalks, curbs, and related facilities subject to the provisions of this chapter or Part 5.5 (commencing with Section 19955) of Division 13 of the Health and Safety Code shall conform to the American Standards Association Specifications A117.1/1961.

(e) This chapter shall apply to temporary or emergency construction as well as permanent buildings.

(f) Administrative authorities as designated under Section 4453 may grant exceptions from the literal requirements of the building standards published in the State Building Standards Code relating to access for the physically handicapped or the other regulations adopted pursuant to this section or permit the use of other methods or materials, but only when it is clearly evident that equivalent facilitation and protection are thereby secured.

SEC. 184. Section 4475 of the Government Code is amended to read:

4475. "State agency," as used in this chapter, means any state agency defined in Section 11000, which is authorized to enter into contracts and shall include, but not be limited to, the Department of Public Works, the Department of Water Resources, the Department of General Services, the Trustees of the California State University, and the Board of Regents of the University of California.

SEC. 185. Section 8832 of the Government Code is amended to read:

8832. The commission shall also establish the instructional committee composed of one member and one alternate member appointed for one-year terms by each of the following:

(a) The Regents of the University of California.

(b) The Trustees of the California State University.

(c) The Board of Governors of the California Community Colleges.

(d) The independent California colleges and universities.

(e) The vocational and private postsecondary institutions.

(f) The Superintendent of Public Instruction.

(g) The private primary and secondary schools.

SEC. 186. Section 11121.5 of the Government Code is amended to read:

11121.5. Under the provisions of this article, the official student



body organization at any campus of the California State University, or of the California Community Colleges, shall be treated in the same manner as a state body.

SEC. 187. Section 11126 of the Government Code is amended to read:

11126. (a) Nothing contained in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing. As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void. The state body also may exclude from any such public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body. Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

For the purposes of this section, "employee" shall not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees.

(b) Nothing in this article shall be construed to prevent state bodies which administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(c) Nothing in this article shall be construed to prevent an advisory body of a state body which administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters which the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(d) Nothing in this article shall be construed to prohibit a state body from holding a closed session to deliberate on a decision to be reached based upon evidence introduced in a proceeding required

to be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 or similar provision of law.

(e) Nothing in this article shall be construed to prevent any state body from holding a closed session to consider matters affecting the national security.

(f) Nothing in this article shall be construed to grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(g) Nothing in this article shall be construed to prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests which the donor or proposed donor has requested in writing to be kept confidential.

(h) Nothing in this article shall be construed to prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(i) Nothing in this article shall be construed to prevent the Trustees of the California State University from holding closed sessions dealing with site selection for the state university.

(j) Nothing in this article shall be construed to prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(k) Nothing in this article shall be construed to prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or data the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the executive officer of the Franchise Tax Board.

(l) Nothing in this article shall be construed to prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under the provisions of Section 6027 of the Penal Code.

(m) Nothing in this article shall be construed to prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(n) Nothing in this article shall be construed to prevent a state body which invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election

of independent auditors, and other financial issues which could have a material effect on the net income of the corporation.

(o) Nothing in this article shall be construed to prevent a state body, or such boards, commissions, administrative officers, or other representatives as may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(p) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against regulated utilities.

(q) Nothing in this article shall be construed to prevent a state body from holding a closed session to confer with legal counsel regarding pending litigation when discussion in open session concerning those matters would adversely affect or be detrimental to the public interest.

(r) Nothing in this article shall be construed to prevent a state body which invests in retirement, pension, or endowment funds from holding closed sessions to confer with legal counsel regarding pending litigation, when discussion in open session concerning these matters would adversely affect, or be detrimental to, those funds. For purposes of subdivision (q) and this subdivision, litigation shall be considered pending when a complaint, claim or petition for writ of mandate has been filed, or the threat of litigation is imminent in the sound opinion of the state body.

(s) Nothing in this article shall be construed to prevent the examining committee established by the State Board of Forestry, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(t) Nothing in this article shall be construed to prevent an administrative committee established by the State Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant

regarding the applicant's qualifications.

(u) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.2, from conducting a closed session to consider any matter which properly could be considered in closed session by the state body whose authority it exercises.

(v) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.7, from conducting a closed session to consider any matter which properly could be considered in a closed session by the body defined as a state body pursuant to Section 11121, 11121.2, or 11121.5.

(w) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.8, from conducting a closed session to consider any matter which properly could be considered in a closed session by the state body it advises.

(x) Nothing in this article shall be construed to prevent the State Board of Equalization from holding closed sessions when considering matters pertaining to the appointment or removal of the executive secretary of the State Board of Equalization.

SEC. 188. Section 14903 of the Government Code is amended to read:

14903. As soon as practicable after deposit of the copies in the library stockroom, the State Printer shall forward of each publication, other than the legislative bills, daily journals, and daily or weekly histories, 50 copies to the State Library at Sacramento, 25 copies each to the University of California libraries at Berkeley and Los Angeles, and 50 copies to the California State University, to be allocated among the libraries thereof as directed by the Trustees of the California State University. Copies in excess of the number required for the institutions themselves, may be used for exchanges with other institutions or with agencies of other states and countries.

SEC. 189. Section 15854.5 of the Government Code is amended to read:

15854.5. To promote the safety of students, comprehensive community planning, and greater educational usefulness of state university sites, the Trustees of the California State University, before the board acquires title to property for any site, shall undertake the following action:

Immediately after receiving notice of the proposed acquisition of property which is within two miles, measured by air line, of that point on an airport boundary which is nearest the site, the Trustees of the California State University shall notify the Department of Aeronautics, in writing, of the proposed acquisition. The Department of Aeronautics shall make an investigation and report to the trustees within 25 days after receipt of the notice. If the Department of Aeronautics is no longer in operation, the trustees shall, in lieu of notifying the commission, notify the Federal Aviation Agency or any other appropriate agency, in writing, of the proposed acquisition for the purpose of obtaining from the authority or other agency any information or assistance it may desire to give.

The Trustees of the California State University shall investigate the proposed site and within 30 days after receipt of the notice shall submit to the board a written report and its recommendations concerning acquisition of the site. The board shall not acquire title to the property until the report of the trustees has been received. If the report does not favor the acquisition of the property for a state university site or an addition to a state university site, the board shall not acquire title to the property until 30 days after the trustees' report is received and until the trustees' report has been read at a public hearing duly called after 10 days' notice published once in a newspaper of general circulation within the county in which the property is located.

SEC. 190. Section 15861 of the Government Code is amended to read:

15861. Whenever it appears to the satisfaction of the board that any part of the campus of a state university acquired as a site for student housing will, if used for such purpose, interfere with the proper and orderly development of the campus, the board may authorize the use of such site for any other purpose of the state university upon the Trustees of the California State University designating some other part of the campus as a site for the student housing affected.

SEC. 191. Section 16304.6a of the Government Code is amended to read:

16304.6a. Within the time during which the appropriation is available for expenditure, the State Board of Control at the request of the Trustees of the California State University and with the approval of the Director of Finance, may authorize that unneeded funds in any appropriation for the support of a university which is included in the California State University shall be available and shall be deemed appropriated for the support of any university included in the California State University.

SEC. 192. Section 16315 of the Government Code is amended to read:

16315. Any appropriation made for major construction, improvements, equipment, designs, working plans, and specifications may be expended to reimburse the Division of Architecture Revolving Fund, the University of California, or the Trustees of the California State University, for expenditures incurred prior to the availability of the appropriation, if the State Public Works Board and the Department of Finance have approved preliminary plans for the project to be financed from the appropriation in accordance with any applicable provision of law. Any money in the Division of Architecture Revolving Fund may be expended or encumbered for expenditure prior to the availability of the appropriation for any project as to which reimbursement of the fund therefor is authorized by this section. Any money available to the Trustees of the California State University for expenditure for projects of major construction, improvements, equipment, designs,

working plans, and specifications may be expended or encumbered for expenditure by the trustees for any state university project prior to the availability of the appropriation for the particular project, if reimbursement of the trustees or the state university from such appropriation is authorized pursuant to this section.

Nothing herein contained shall be construed to limit or control the Regents of the University of California or the Trustees of the California State University in the expenditure of funds appropriated for major construction, improvements, and equipment for the use, development, or enlargement of the University of California or the California State University, respectively.

SEC. 193. Section 20023.4 of the Government Code is amended to read:

20023.4. Notwithstanding the provisions of Section 20023, if a member who is an academic employee of the California State University dies while on a leave with pay, or within 12 months following a leave with pay, during which the member received compensation in an amount less than the full compensation earnable by him or her when not on leave with pay, the benefit payable under subdivision (b) of Section 21361 shall be based on the full compensation earnable by the member when not on leave with pay.

SEC. 194. Section 20023.5 of the Government Code is amended to read:

20023.5. Liability imposed on the system with respect to the death of a member who is an academic employee of the California State University while on, or within 12 months following, a leave with pay during which the member received compensation in an amount less than the full compensation earnable by him or her when not on leave with pay shall extend to the death of the members occurring on or after January 1, 1973, and to any benefit for which there would have been liability with respect to such death had Section 20023.4 been effective on that date.

SEC. 195. Section 20815 of the Government Code is amended to read:

20815. Notwithstanding any other provision of this part, a member employed on a part-time basis on and after January 1, 1976, shall, for the period of part-time employment, receive the credit the member would receive if he or she was employed on a full-time basis and have his or her retirement allowance, as well as any other benefits the member is entitled to under this part, based upon the salary that he or she would have received if employed on a full-time basis, if the member and his or her employer both elect to contribute to the retirement fund the amount that would have been contributed if the member was employed on a full-time basis. Prior to the reduction of an employee's workload under this section, the district personnel responsible for the administration of this program, in conjunction with the administrative staff of the State Teachers' Retirement System and the Public Employees' Retirement System, shall verify the eligibility of the applicant for the reduced workload

program. This section shall be applicable only to members who are academic employees of California State University or who are certificated employees of school districts and who have met the criteria provided in Sections 44922 and 87483 of the Education Code or Section 89516 of the Education Code and are not older than 70 years and is limited to a period of five years of part-time status. The employer shall maintain the necessary records to separately identify each employee receiving credit pursuant to this section.

SEC. 196. Section 22816.5 of the Government Code is amended to read:

22816.5. An employee of the California State University system who is granted a partial leave of absence for more than halftime, but less than full time, may maintain enrollment in a health benefit plan under this part provided the employee pays the contributions otherwise required of the Trustees of the California State University system on account of the employee's enrollment.

SEC. 197. Section 50330 of the Government Code is amended to read:

50330. Whether governed under general laws or charter, a local agency may donate and grant to the Regents of the University of California or to the Trustees of the California State University real property which it owns as a site for university buildings and grounds, or state university buildings and grounds, as the case may be. A local agency may expend funds, incur indebtedness, and issue bonds for the acquisition of a site within or without its boundaries for the purposes of this section.

SEC. 198. Section 50330.4 of the Government Code is amended to read:

50330.4. For the purposes of Section 50330, a local agency may purchase land or options on land or contract for and make downpayments on land or options on land within or without its boundaries and make a gift of that land, option, or contract and downpayment to the Trustees of the California State University for development as a state university on condition that the entire gift shall revert to the local agency if the state university is not established on that site prior to a specific date designated by the local agency and the trustees and the acceptance of the gift by the trustees shall not obligate the expenditure of any state funds for the purchase or acquisition of land or for development on land unless the Legislature shall subsequently approve the obligation by appropriating funds for that specific purpose.

SEC. 199. Section 551 of the Health and Safety Code is amended to read:

551. The advisory committee shall consist of the Chief of the Local Environmental Health Programs Section, State Department of Health Services, or his or her designate, who shall serve as chairman ex officio, but who shall not vote, and the following nine members who shall be residents of the state:

(a) Two members from the California Conference of Directors of

Environmental Health who shall be registered as sanitarians by the department and shall have had at least two years' experience as directors in the State of California.

(b) Three members, each of whom shall be a qualified, practicing sanitarian who has been registered by the State of California for a period of five or more years.

(c) One member from the California Conference of Local Health Officers.

(d) Two members from the faculty of any campus of the California State University which has curricula leading to a degree in environmental health. The members may be from the same or from different campuses.

(e) One public member. The public member shall not have been engaged at any time within five years immediately preceding his or her appointment in pursuits which lie within the field of environmental health or the profession regulated by the advisory committee of which he or she is a member.

SEC. 200. Section 10203.1 of the Insurance Code is amended to read:

10203.1. Life insurance conforming to all the following conditions is another form of group life insurance:

(a) Written under a policy covering, when issued, not less than 25 employees of the Trustees of the California State University in eligible classes as designated by the trustees pursuant to Section 89506 of the Education Code.

(b) Written under a policy issued to the Trustees of the California State University pursuant to Section 89506 of the Education Code.

(c) The premium on the policy is to be paid by the employees alone, or in part by the State of California, with the remainder to be paid by the employees. Payment of the premium by a third party on behalf of the employees shall be considered payment by the employees.

(d) Insuring only the employees of the Trustees of the California State University.

(e) Insuring for amounts of insurance based upon some plan which will preclude individual selection.

(f) Insuring for the benefit of persons other than the Trustees of the California State University.

(g) Written under a policy insuring, when issued, not less than 75 percent of all such employees eligible for insurance under the policy, or 75 percent of the employees of any class thereof reasonably determined by conditions pertaining to employment or of any established unit thereof not formed for the purpose of procuring insurance. However, if a group policy is intended to insure several classes or units, it may be issued as respects any class or unit, of which 75 percent are covered and extended to other units or classes as 75 percent thereof express the desire to be covered. In such case, when the employees apply and pay for additional amounts of insurance, a smaller percentage of employees may be insured for additional



amounts of insurance. If any employee fails to become insured under an existing policy when he or she becomes eligible and later wishes to become insured thereunder, the insurer may require satisfactory evidence of insurability before insurance is granted on the employee.

SEC. 201. Section 1720.3 of the Labor Code is amended to read:

1720.3. For the limited purposes of Article 2 (commencing with Section 1770), "public works" also means the hauling of refuse from a public works site to an outside disposal location, with respect to contracts involving any state agency, including the California State University and the University of California.

SEC. 202. Section 602.10 of the Penal Code is amended to read:

602.10. Every person who, by physical force and with the intent to prevent attendance or instruction, willfully obstructs or attempts to obstruct any student or teacher seeking to attend or instruct classes at any of the campuses or facilities owned, controlled, or administered by the Regents of the University of California, the Trustees of the California State University, or the governing board of a community college district shall be punished by a fine not exceeding five hundred dollars (\$500), by imprisonment in a county jail for a period of not exceeding one year, or by both such fine and imprisonment.

As used in this section, "physical force" includes, but is not limited to, use of one's person, individually or in concert with others, to impede access to, or movement within, or otherwise to obstruct the students and teachers of the classes to which the premises are devoted.

SEC. 203. Section 626 of the Penal Code is amended to read:

626. (a) As used in this chapter:

(1) "University" means the University of California, and includes any affiliated institution thereof and any campus or facility owned, operated, or controlled by the Regents of the University of California.

(2) "State university" means any California state university, and includes any campus or facility owned, operated, or controlled by the Trustees of the California State University.

(3) "Community college" means any public community college established pursuant to the Education Code.

(4) "School" means any elementary school, junior high school, four-year high school, senior high school, adult school or any branch thereof, opportunity school, continuation high school, regional occupational center, evening high school, or technical school.

(5) "Chief administrative officer" means:

(i) The president of the university or a state university, the Chancellor of the California State University, or the officer designated by the Regents of the University of California or pursuant to authority granted by the Regents of the University of California to administer and be the officer in charge of a campus or other facility owned, operated, or controlled by the Regents of the University of California, or the superintendent of a community

college district.

(ii) For a school: the principal of the school; or a person who possesses a standard supervision credential or a standard administrative credential and who is designated by the principal; or a person who carries out the same functions as a person who possesses a credential and who is designated by the principal.

(b) For the purpose of determining the penalty to be imposed pursuant to this chapter, the court may consider a written report from the Department of Justice containing information from its records showing prior convictions; and the communication is prima facie evidence of the convictions, if the defendant admits them, regardless of whether or not the complaint commencing the proceedings has alleged prior convictions.

SEC. 204. Section 626.2 of the Penal Code is amended to read:

626.2. Every student or employee who, after a hearing, has been suspended or dismissed from a community college, a state university, the university, or a school for disrupting the orderly operation of the campus or facility of such institution, and as a condition of such suspension or dismissal has been denied access to the campus or facility, or both, of the institution for the period of the suspension or in the case of dismissal for a period not to exceed one year; who has been served by registered or certified mail, at the last address given by such person, with a written notice of such suspension or dismissal and condition; and who willfully and knowingly enters upon the campus or facility of the institution to which he or she has been denied access, without the express written permission of the chief administrative officer of the campus or facility, is guilty of a misdemeanor and shall be punished as follows:

(1) Upon a first conviction, by a fine of not exceeding five hundred dollars (\$500), by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

(2) If the defendant has been previously convicted once of a violation of any offense defined in this chapter or Section 415.5, by imprisonment in the county jail for a period of not less than 10 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars (\$500), and shall not be released on probation, parole, or any other basis until he or she has served not less than 10 days.

(3) If the defendant has been previously convicted two or more times of a violation of any offense defined in this chapter or Section 415.5, by imprisonment in the county jail for a period of not less than 90 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars (\$500), and shall not be released on probation, parole, or any other basis until he or she has served not less than 90 days.

Knowledge shall be presumed if notice has been given as prescribed in this section. The presumption established by this section is a presumption affecting the burden of proof.

SEC. 205. Section 626.4 of the Penal Code is amend to read:

626.4. (a) The chief administrative officer of a campus or other facility of a community college, a state university, the university, or a school, or an officer or employee designated by the chief administrative officer to maintain order on such campus or facility, may notify a person that consent to remain on the campus or other facility under the control of the chief administrative officer has been withdrawn whenever there is reasonable cause to believe that such person has willfully disrupted the orderly operation of such campus or facility.

(b) Whenever consent is withdrawn by any authorized officer or employee, other than the chief administrative officer, such officer or employee shall as soon as is reasonably possible submit a written report to the chief administrative officer. The report shall contain all of the following:

(1) The description of the person from whom consent was withdrawn, including, if available, the person's name, address, and phone number.

(2) A statement of the facts giving rise to the withdrawal of consent.

If the chief administrative officer or, in the chief administrative officer's absence, a person designated by him or her for this purpose, upon reviewing the report, finds that there was reasonable cause to believe that such person has willfully disrupted the orderly operation of the campus or facility, he or she may enter written confirmation upon the report of the action taken by the officer or employee. If the chief administrative officer or, in the chief administrative officer's absence, the person designated by him or her, does not confirm the action of the officer or employee within 24 hours after the time that consent was withdrawn, the action of the officer or employee shall be deemed void and of no force or effect, except that any arrest made during such period shall not for this reason be deemed not to have been made for probable cause.

(c) Consent shall be reinstated by the chief administrative officer whenever he or she has reason to believe that the presence of the person from whom consent was withdrawn will not constitute a substantial and material threat to the orderly operation of the campus or facility. In no case shall consent be withdrawn for longer than 14 days from the date upon which consent was initially withdrawn. The person from whom consent has been withdrawn may submit a written request for a hearing on the withdrawal within the two-week period. The written request shall state the address to which notice of hearing is to be sent. The chief administrative officer shall grant such a hearing not later than seven days from the date of receipt of the request and shall immediately mail a written notice of the time, place, and date of such hearing to such person.

(d) Any person who has been notified by the chief administrative officer of a campus or other facility of a community college, a state university, the university, or a school, or by an officer or employee

designated by the chief administrative officer to maintain order on such campus or facility, that consent to remain on the campus or facility has been withdrawn pursuant to subdivision (a); who has not had such consent reinstated; and who willfully and knowingly enters or remains upon such campus or facility during the period for which consent has been withdrawn is guilty of a misdemeanor. This subdivision does not apply to any person who enters or remains on such campus or facility for the sole purpose of applying to the chief administrative officer for the reinstatement of consent or for the sole purpose of attending a hearing on the withdrawal.

(e) This section shall not affect the power of the duly constituted authorities of a community college, a state university, the university, or a school, to suspend, dismiss, or expel any student or employee at the college, state university, university, or school.

(f) Any person convicted under this section shall be punished as follows:

(1) Upon a first conviction, by a fine of not exceeding five hundred dollars (\$500), by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

(2) If the defendant has been previously convicted once of a violation of any offense defined in this chapter or Section 415.5, by imprisonment in the county jail for a period of not less than 10 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars (\$500), and shall not be released on probation, parole, or any other basis until he or she has served not less than 10 days.

(3) If the defendant has been previously convicted two or more times of a violation of any offense defined in this chapter or Section 415.5, by imprisonment in the county jail for a period of not less than 90 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars (\$500), and shall not be released on probation, parole, or any other basis until he or she has served not less than 90 days.

(g) This section shall not affect the rights of representatives of employee organizations to enter, or remain upon, school grounds while actually engaged in activities related to representation, as provided for in Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.

SEC. 206. Section 626.6 of the Penal Code is amended to read:

626.6. In any case in which a person who is not a student or officer or employee of a community college, a state university, the university, or a school, and who is not required by his or her employment to be on the campus or any other facility owned, operated, or controlled by the governing board of any such community college, state university, university, or school, enters such campus or facility, and it reasonably appears to the chief administrative officer of the campus or facility or to an officer or employee designated by the chief administrative officer to maintain

order on such campus or facility that such person is committing any act likely to interfere with the peaceful conduct of the activities of the campus or facility or has entered the campus or facility for the purpose of committing any such act, the chief administrative officer or officer or employee designated by him or her to maintain order on the campus or facility may direct the person to leave the campus or facility, and if the person fails to do so or if the person willfully and knowingly reenters upon the campus or facility within 72 hours after being directed to leave, he or she is guilty of a misdemeanor and shall be punished as follows:

(1) Upon a first conviction by a fine of not exceeding five hundred dollars (\$500), by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

(2) If the defendant has been previously convicted once of a violation of any offense defined in this chapter or Section 415.5, by imprisonment in the county jail for a period of not less than 10 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars (\$500), and shall not be released on probation, parole, or any other basis until he or she has served not less than 10 days.

(3) If the defendant has been previously convicted two or more times of a violation of any offense defined in this chapter or Section 415.5, by imprisonment in the county jail for a period of not less than 90 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars (\$500), and shall not be released on probation, parole, or any other basis until he or she has served not less than 90 days.

For purposes of this section, a representative of a school employee organization engaged in activities related to representation, as provided for in Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, shall be deemed a person required by his or her employment to be in a school building or on the grounds of a school.

SEC. 207. Section 626.9 of the Penal Code is amended to read:

626.9. Any person, except a duly appointed peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, a full-time paid peace officer of another state or the federal government who is carrying out official duties while in California, any person summoned by any such officer to assist in making arrests or preserving the peace while the person is actually engaged in assisting such officer, a member of the military forces of this state or the United States who is engaged in the performance of his or her duties, or a person holding a valid license to carry the firearm pursuant to Article 3 (commencing with Section 12050) of Chapter 1 of Title 2 of Part 4, who brings or possesses a firearm upon the grounds of any public school, including the University of California and the California State University or within any public school, including the University of California and the California State University, unless it is with the permission of the school authorities,

shall be punished by imprisonment in the county jail for a period of not more than one year, a fine of not more than one thousand dollars (\$1,000), or both such imprisonment and fine, or by imprisonment in the state prison.

SEC. 208. Seciton 626.11 of the Penal Code is amended to read:

626.11. (a) Any evidence seized by a teacher, official, employee, or governing board member of any university, state university, or community college, or by any person acting under his or her direction or with his or her consent in violation of standards relating to rights under the Fourth Amendment to the United States Constitution or under Section 13 of Article I of the State Constitution to be free from unreasonable searches and seizures, or in violation of state or federal constitutional rights to privacy, or any of them, is inadmissible in administrative disciplinary proceedings.

(b) Any provision in an agreement between a student and an educational institution specified in subdivision (a) relating to the leasing, renting, or use of a room of any student dormitory owned or operated by the institution by which the student waives a constitutional right under the Fourth Amendment to the United States Constitution or under Section 13 of Article I of the State Constitution, or under state or federal constitutional provision guaranteeing a right to privacy, or any of them, is contrary to public policy and void.

(c) Any evidence seized by a person specified in subdivision (a) after a nonconsensual entry not in violation of subdivision (a) into a dormitory room, which evidence is not directly related to the purpose for which the entry was initially made, is not admissible in administrative disciplinary proceedings.

SEC. 209. Section 1463.5a of the Penal Code is amended to read:

1463.5a. (a) Notwithstanding any other provision of law, a municipal or justice court shall either authorize the California State University or any campus thereof to receive, deposit, accept forfeiture, and otherwise process the posting of bail for parking violations for which the California State University has issued a written notice of parking violation pursuant to Section 41103 of the Vehicle Code within the judicial district, or the court shall receive, deposit, accept forfeiture, and otherwise process the posting of bail for parking violations.

(b) Notwithstanding the provisions of subdivision (1) of Section 1463, out of the moneys deposited with the county treasurer pursuant to Section 1463, there shall be transferred, once a month, into the State Treasury to the credit of the State University Parking Revenue Fund an amount equal to 50 percent of all fines and forfeitures collected during the preceding month upon the conviction or upon the forfeiture of bail from any person arrested or notified by a member of the state college police and charged with a violation of parking regulations adopted by or with the sanction of the trustees of the California State University pursuant to subdivision (a) of Section 21113 of the Vehicle Code which are applicable to parking

upon property under the possession or control of the trustees, and an amount equal to the remaining 50 percent shall be transferred into the general fund of the county.

(c) If the moneys are deposited directly with the California State University or any campus thereof and forfeited pursuant to subdivision (a), all such moneys shall be transferred, once a month, into the State Treasury to the credit of the State University Parking Revenue Fund.

SEC. 210. Section 13507 of the Penal Code is amended to read:

13507. As used in this chapter, "district" means any of the following:

(a) A regional park district.

(b) A district authorized by statute to maintain a police department.

(c) The University of California.

(d) The California State University.

(e) A community college district.

(f) A school district.

SEC. 211. Section 13510.5 of the Penal Code is amended to read:

13510.5. For the purpose of maintaining the level of competence of state law enforcement officers, the commission shall adopt, and may, from time to time amend, rules establishing minimum standards for training of peace officers as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, who are employed by any railroad company, the California State Police Division, the University of California Police Department, a California State University police department, the Department of Alcoholic Beverage Control, the Division of Investigation of the Department of Consumer Affairs, the Wildlife Protection Branch of the Department of Fish and Game, the Department of Forestry, the Department of Motor Vehicles, the California Horse Racing Board, the State Fire Marshal, the Bureau of Food and Drug, the Division of Labor Law Enforcement, the Director of Parks and Recreation, the State Department of Health Services, the State Department of Social Services, the State Department of Mental Health, the State Department of Developmental Services, the State Department of Alcohol and Drug Programs, the Office of Statewide Health Planning and Development, and the Department of Justice. All rules shall be adopted and amended pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 212. Section 13522 of the Penal Code is amended to read:

13522. Any city, county, city and county, or district which desires to receive state aid pursuant to this chapter shall make application to the commission for the aid. The initial application shall be accompanied by a certified copy of an ordinance, or in the case of the University of California and the California State University by a resolution, adopted by its governing body providing that while receiving any state aid pursuant to this chapter, the city, county, city

and county, or district will adhere to the standards for recruitment and training established by the commission. The application shall contain any information the commission may request.

SEC. 213. Section 6217 of the Public Resources Code is amended to read:

6217. With the exception of revenues derived from state school lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and 8551 to 8558, inclusive, and Section 6406 (insofar as the proceeds are from property which has been distributed or escheated to the state in connection with unclaimed estates of deceased persons), the commission shall deposit in the State Treasury all revenues, moneys, and remittances received by it under this division, and under Chapter 138 of the Statutes of 1964, First Extraordinary Session, and such sums shall be applied to the following obligations in the following order:

(a) To the General Fund such revenue as necessary to provide in any fiscal year for the following:

(1) Payment of refunds, authorized by the commission and approved by the State Board of Control, out of appropriations made for that purpose by the Legislature.

(2) Payment of expenditures of the commission as provided in the annual Budget Act approved by the Legislature.

(3) Payments to cities and counties of the amounts specified in Section 6817 for the purposes specified in that section, and the revenues so deposited are appropriated for such purpose.

(4) Payments to cities and counties of the amounts agreed to pursuant to the provisions of Section 6875.

(b) To the California Water Fund each fiscal year the amount of twenty-five million dollars (\$25,000,000).

(c) To the Central Valley Water Project Construction Fund each fiscal year the amount of five million dollars (\$5,000,000).

(d) To the Resources Agency, the amount of five hundred thousand dollars (\$500,000) for each of the fiscal years 1979-80, 1980-81, 1981-82, 1982-83, and 1983-84 for distribution for public and private higher education for use as up to two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966 (P.L. 89-688) approved, upon the recommendation of the advisory panel appointed pursuant to this subdivision, by the Secretary of the Resources Agency or his or her designee. During the fiscal year 1983-84, the Legislature shall consider recommendations from the Secretary of the Resources Agency and other interested parties on the benefits to the people of the State of California derived from this program and shall determine whether or not to continue similar appropriations for subsequent fiscal years.

The Secretary of the Resources Agency shall appoint an advisory panel, which shall do all of the following:

(1) Identify state needs which might be met through sea grant research projects, including, but not limited to, fields similar to living



marine resources, aquaculture, ocean engineering, marine minerals, public recreation, coastal physical processes and coastal and ocean resources planning and management, and marine data acquisition and dissemination.

(2) Review all applications for funding under this subdivision and make recommendations based upon the priorities it establishes.

(3) Periodically review progress on sea grant research projects subsequent to their approval and funding under this subdivision.

(4) Make recommendations to the Secretary of the Resources Agency with respect to the implementation of this subdivision.

The members of the advisory panel shall serve at the pleasure of the Secretary of the Resources Agency. The advisory panel shall consist of 11 members composed of the following persons:

(1) A representative of the Department of Navigation and Ocean Development.

(2) A representative of the Department of Conservation.

(3) A representative of the Department of Fish and Game.

(4) The executive director of the California Coastal Zone Conservation Commission or his or her designee.

(5) A representative of the fish industry.

(6) A representative of the aquaculture industry.

(7) A representative of the ocean engineering industry.

(8) A representative of the University of California.

(9) A representative of the California State University.

(10) A representative of a private California institution of higher education which is participating in the National Sea Grant Program.

(11) A representative of the State Lands Commission. The Secretary of the Resources Agency shall designate one member of the panel to serve as its chairman. Panel members shall serve without compensation.

The sea grant research projects selected for state support under this subdivision shall have a clearly defined benefit to the people of the State of California. The Legislature hereby finds and declares that the funding provided by this subdivision is needed to stimulate the development and utilization of ocean and coastal resources by working constructively with private sector firms and individuals. Nothing in this subdivision shall be construed to preclude the application for funding of any project which would be eligible for funding under the terms of the National Sea Grant College and Program Act of 1966.

(e) To the Capital Outlay Fund for Public Higher Education for the fiscal year 1980-81, the amount necessary to provide for an unencumbered balance available for appropriation on July 1, 1980, of one hundred twenty-five million dollars (\$125,000,000), and for each fiscal year thereafter, the amount necessary to provide for an unencumbered balance available for appropriation on July 1 of each such year of one hundred twenty-five million dollars (\$125,000,000).

(f) To the State School Building Lease-Purchase Fund for the fiscal year 1980-81, the amount of one hundred million dollars

(\$100,000,000), and for each fiscal year thereafter, the amount of two hundred million dollars (\$200,000,000).

(g) To the Energy and Resources Fund, the amount of one hundred twenty million dollars (\$120,000,000) for the fiscal year 1980-81, and for each fiscal year thereafter, the amount necessary to provide for a balance available for appropriation on July 1 of each fiscal year of one hundred twenty million dollars (\$120,000,000).

Notwithstanding this subdivision, after June 30, 1982, no funds shall be transferred to the Energy Account created by Section 26401 unless a reorganization of the State Energy Resources Conservation and Development Commission has been enacted by the Legislature.

(h) To the State Parks and Recreation Fund, the amount of thirty-five million dollars (\$35,000,000) for the fiscal year 1980-81 and for each fiscal year thereafter.

(i) To the Transportation Planning and Development Account in the State Transportation Fund to finance capital outlay costs of exclusive public mass transit guideway projects, including the acquisition of rolling stock, the amount of twenty-five million dollars (\$25,000,000) for fiscal year 1981-82 and for each fiscal year thereafter.

(j) To the Special Account for Capital Outlay in the General Fund, the balance of all revenue in excess of that distributed pursuant to subdivisions (a), (b), (c), (d), (e), (f), (g), (h), and (i).

The commission may, with the approval of the State Board of Control, authorize the refund of moneys received or collected by it illegally or by mistake, inadvertence, or error. Claims authorized by the commission and approved by the State Board of Control shall be filed with the Controller and the Controller shall draw a warrant against the General Fund in payment of such refund from any appropriation made for that purpose.

All references in any law to Section 6816 shall be deemed to refer to this section.

This section shall remain in effect only until the later of the following dates, and on that date is repealed, unless a later enacted statute changes the requirements of this paragraph:

(1) The operative date of the Budget Act for the 1984-85 fiscal year.

(2) The operative date of the Budget Act for a fiscal year after the 1983-84 fiscal year which does not contain a section authorizing this section to remain operative for that fiscal year.

SEC. 214. Section 30119 of the Public Resources Code is amended to read:

30119. "State university" means the University of California and the California State University.

SEC. 215. Section 6404 of the Revenue and Taxation Code is amended to read:

6404. (a) The loan by any retailer of any tangible personal property to any school district for an educational program conducted by the district is exempt from the use tax.

(b) The loan by any retailer of any motor vehicle to the University of California or to the California State University for the exclusive use in an approved driver education teacher preparation certification program conducted by the university or the state university is exempt from the use tax.

(c) The loan by any retailer of a motor vehicle to be used exclusively for driver training in an accredited private or parochial secondary school in a driver education and training program approved by the State Department of Education as a regularly conducted course of study is exempt from the use tax.

(d) The loan by any retailer of any motor vehicle to a veterans hospital or such other nonprofit facility or institution to provide instruction in the operation of specially equipped motor vehicles to disabled veterans is exempt from the use tax.

(e) If the retailer makes any other use of the property except retention, demonstration, or display while holding it for sale in the regular course of business, the use is taxable to the retailer under Chapter 3 (commencing with Section 6201) as of the time the property is first so used, and the sales price of the property to the retailer is the measure of the tax.

SEC. 216. Section 135 of the Unemployment Insurance Code is amended to read:

135. (a) "Employing unit" means any individual or type of organization which has in its employ one or more individuals performing services for it within this state, and includes but is not limited to, the following individuals and organizations:

(1) Any individual or type of organization or public entity which elects coverage pursuant to any provision of this division.

(2) Any joint venture, partnership, association, trust, estate, joint stock company, insurance company, corporation whether domestic or foreign, community chest, fund, or foundation.

(3) Any public entity. As used in this section, "public entity" means the State of California (including the Trustees of the California State University), any instrumentality of this state (including the Regents of the University of California), any political subdivision of this state or any of its instrumentalities, a county, city, district (including the governing board of any school district or community college district, any county board of education, any county superintendent of schools, or any personnel commission of a school district or community college district which has a merit system pursuant to any provision of the Education Code), entities receiving state money to conduct county fairs and agricultural fairs pursuant to Sections 25905 and 25906 of the Government Code and which perform no other functions, any public authority, public agency, or public corporation of this state, any instrumentality of more than one of the foregoing, and any instrumentality of any of the foregoing and one or more other states or political subdivisions.

(4) Any instrumentality of the United States required to make payments under this division.

(5) The receiver, trustee in bankruptcy, trustee or successor thereof, and the legal representative of a deceased person.

(b) All individuals performing services within this state for any employing unit which maintains two or more separate establishments within this state shall be deemed to be employed by a single employing unit for all the purposes of this division.

SEC. 217. Section 12004 of the Unemployment Insurance Code is amended to read:

12004. It is the intent of the Legislature that the board in carrying out career opportunities development programs pursuant to this division shall provide for both of the following:

(a) Close coordination between career opportunities development programs and related activities under the Federal Intergovernmental Personnel Act (Public Law 91-648).

(b) Clear, direct, and systematic involvement by representatives of cities, counties, educational agencies, including, but not limited to, the California Community Colleges, the California State University, and the University of California, and lay representatives, especially those which represent low-income and minority persons.

SEC. 218. Section 22855 of the Vehicle Code is amended to read:

22855. The following persons shall have the authority to make appraisals of the value of vehicles for purposes of this chapter, subject to the conditions stated in this chapter:

(a) Any member of the California Highway Patrol designated by the commissioner.

(b) Any regularly employed and salaried deputy sheriff or other employee designated by the sheriff of any county.

(c) Any regularly employed and salaried police officer or other employee designated by the chief of police of any city.

(d) Any officer or employee of the Department of Motor Vehicles designated by the director of that department.

(e) Any member of the California State Police designated by the chief thereof.

(f) Any regularly employed and salaried police officer or other employee of the University of California Police Department designated by the chief thereof.

(g) Any regularly salaried employee of a city, county, or city and county designated by a board of supervisors or a city council pursuant to subdivision (a) of Section 22702.

(h) Any regularly employed and salaried police officer or other employee of the police department of a California State University designated by the chief thereof.

(i) Any regularly employed and salaried security officer or other employee of a transit district security force designated by the chief thereof.

(j) Any regularly employed and salaried peace officer or other employee of the Department of Parks and Recreation designated by the director of that department.

SEC. 219. Any section of any act enacted by the Legislature

during the 1983 calendar year, which takes effect on or before January 1, 1983, and which amends, amends and renumbers, adds, repeals and adds, or repeals a section amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, this act.

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## CHAPTER 144

An act to amend Section 1305.1 of the Penal Code, relating to crime.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1305.1 of the Penal Code is amended to read:

1305.1. If an assessment is made a condition of discharging the forfeiture under Section 1305, and the surety or depositor is not present in court, the clerk of the court shall within 30 days mail notice thereof to the surety or depositor at the address of its principal office and shall execute a certificate of mailing and place it in the court's file in the case. The time limit for payment shall in no event be less than 30 days after the date of mailing of such notice.

If the assessment has not been paid by the date specified, the court shall determine if a certificate of mailing has been executed, and if none has, the court shall cause a notice to be mailed to the surety or depositor, and said surety or depositor shall be allowed an additional 30 days to pay the assessment.

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## CHAPTER 145

An act to amend Sections 630, 35100, 35101, 35105, 35109, 35110, 35401, 35411, 35784, and 42030 of, to add Sections 320.5 and 35401.5 to, and to repeal Sections 35103, 35106.5, 35108, 35112, 35114, 35115, 35116, and 35117 of, the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1983. Filed with  
Secretary of State June 28, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 320.5 is added to the Vehicle Code, to read:

320.5. An "extralegal load" is a single unit or an assembled item which, due to its design, cannot be reasonably reduced or dismantled in size or weight so that it can be legally transported as a load without a permit as required by Section 35780. This section does not apply to loads on passenger cars.

SEC. 1.2. Section 630 of the Vehicle Code is amended to read:

630. A "trailer" is a vehicle designed for carrying persons or property on its own structure and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon any other vehicle. "Trailer" includes a semitrailer when connected to, and having a portion of its weight supported by, an auxiliary dolly, if the auxiliary dolly is of a type constructed to replace the function of the drawbar and the front axle or axles of a trailer.

SEC. 1.5. Section 35100 of the Vehicle Code is amended to read:

35100. The total outside width of any vehicle or the load thereon shall not exceed 102 inches, except as otherwise provided in this chapter.

Notwithstanding any other provision of law, safety devices which the Secretary of Transportation determines to be necessary for the safe and efficient operation of motor vehicles shall not be included in the calculation of width.

Any city or county may, by ordinance, prohibit a combination of vehicles of a total width in excess of 96 inches upon highways under its jurisdiction. The ordinance shall not be effective until appropriate signs are erected indicating the streets affected.

SEC. 2. Section 35101 of the Vehicle Code is amended to read:

35101. When any vehicle is equipped with pneumatic tires, the maximum width from the outside of one wheel and tire to the outside of the opposite outer wheel and tire shall not exceed 108 inches, but the outside width of the body of the vehicle or the load thereon shall not exceed 102 inches.

Vehicles manufactured, reconstructed, or modified after the effective date of amendments to this section enacted during the 1983 portion of the 1983-84 Regular Session of the Legislature, to utilize the 102 inch maximum width dimension, shall be equipped with axles, tires, and wheels of sufficient width to adequately and safely stabilize the vehicle. The Department of the California Highway Patrol shall conduct tests relating to the dynamic stability of vehicles utilizing body widths over 96 inches, up to and including 102 inches, to determine the necessity for establishing performance standards under the authority of Section 34500. Such standards if established shall be consistent with width standards established by or under the authority of the United States Department of Transportation.

SEC. 3. Section 35103 of the Vehicle Code is repealed.

SEC. 4. Section 35105 of the Vehicle Code is amended to read:

35105. Any city organized under a freeholders' charter may by ordinance permit a total outside width of vehicle and load in excess of the limits set forth in Sections 35100, 35101, 35102, 35104, and 35106

when the vehicle is used exclusively within the boundary limits of the city.

SEC. 5. Section 35106.5 of the Vehicle Code is repealed.

SEC. 6. Section 35108 of the Vehicle Code is repealed.

SEC. 7. Section 35109 of the Vehicle Code is amended to read:

35109. Lights, mirrors, or devices which are required to be mounted upon a vehicle under this code may extend beyond the permissible width of the vehicle to a distance not exceeding 10 inches on each side of the vehicle.

SEC. 8. Section 35110 of the Vehicle Code is amended to read:

35110. Door handles, hinges, cable cinchers, chain binders, and holders for the display of placards warning of hazardous materials may extend three inches on each side of the vehicle.

SEC. 9. Section 35112 of the Vehicle Code is repealed.

SEC. 10. Section 35114 of the Vehicle Code is repealed.

SEC. 11. Section 35115 of the Vehicle Code is repealed.

SEC. 12. Section 35116 of the Vehicle Code is repealed.

SEC. 13. Section 35117 of the Vehicle Code is repealed.

SEC. 14. Section 35401 of the Vehicle Code, as amended by Section 1 of Chapter 731 of the Statutes of 1982, is amended to read:

35401. (a) Except as provided in subdivisions (b) and (c), no combination of vehicles coupled together, including any attachments thereto, shall exceed a total length of 65 feet.

(b) The following combinations of vehicles coupled together, including any attachments thereto, shall not exceed a total length of 60 feet:

(1) A truck tractor, auxiliary dolly, and semitrailer.

(2) A motortruck and semitrailer, if the pivot point of the semitrailer connection is less than two feet to the rear of the center of the rearmost axle of the motortruck, or the distance from the pivot point to the center of the rearmost axle of the semitrailer exceeds 34 feet.

(c) A combination of vehicles coupled together, including any attachments thereto, which consists of a truck tractor, a semitrailer, and a trailer shall not exceed a total length of 75 feet, provided that the length of neither the semitrailer nor the trailer in such combination of vehicles exceeds 28 feet. However, semitrailers and trailers not exceeding 28 feet six inches in length and which were in lawful operation on December 1, 1982, may be used in vehicle combinations under this subdivision.

(d) Notwithstanding subdivision (b), a combination of vehicles coupled together which consists of a truck tractor and semitrailer, each of which was first registered in this state between January 1, 1977, and December 31, 1978, and the semitrailer of which is designed with a split bed capable of tilting to provide a loading ramp for tractors and other mobile equipment, shall not exceed a total length of 65 feet, provided that the truck tractor wheelbase does not exceed 23 feet, and the dimension from the kingpin to the center of the rearmost semitrailer axle does not exceed 34 feet.

(e) Any city or county may, by ordinance, prohibit a combination of vehicles of a total length in excess of 60 feet upon highways under its respective jurisdiction. The ordinance shall not be effective until appropriate signs are erected indicating either the streets affected by the ordinance or the streets not affected, as the local authority determines will best serve to give notice of the ordinance.

(f) The Legislature, in enacting this section, does not intend to reduce, and this section shall not be construed to reduce, any maximum total length of any combination of vehicles permitted under the statutes as they existed on January 1, 1974.

(g) This section shall remain in effect only until December 31, 1985, and as of that date is repealed, unless a later enacted statute, which is chaptered before December 31, 1985, deletes or extends that date.

SEC. 15. Section 35401 of the Vehicle Code, as added by Section 2 of Chapter 731 of the Statutes of 1982, is amended to read:

35401. (a) Except as provided in subdivisions (b) and (c), no combination of vehicles coupled together, including any attachments thereto, shall exceed a total length of 65 feet.

(b) The following combinations of vehicles coupled together, including any attachments thereto, shall not exceed a total length of 60 feet:

(1) A truck tractor, auxiliary dolly, and semitrailer.

(2) A motortruck and semitrailer, if the pivot point of the semitrailer connection is less than two feet to the rear of the center of the rearmost axle of the motortruck, or the distance from the pivot point to the center of the rearmost axle of the semitrailer exceeds 34 feet.

(c) A combination of vehicles coupled together, including any attachments thereto, which consists of a truck tractor, a semitrailer, and a trailer shall not exceed a total length of 75 feet, provided that the length of neither the semitrailer nor the trailer in such combination of vehicles exceeds 28 feet. However, semitrailers and trailers not exceeding 28 feet six inches in length and which were in lawful operation on December 1, 1982, may be used in vehicle combinations under this subdivision.

(d) Any city or county may, by ordinance, prohibit a combination of vehicles of a total length in excess of 60 feet upon highways under their respective jurisdiction. The ordinance shall not be effective until appropriate signs are erected indicating either the streets affected by the ordinance or the streets not affected, as the local authorities determine will best serve to give notice of the ordinance.

(e) The Legislature, in enacting this section, does not intend to reduce, and this section shall not be construed to reduce, any maximum total length of any combination of vehicles permitted under the statutes as they existed on January 1, 1974.

(f) This section shall become operative January 1, 1986.

SEC. 16. Section 35401.5 is added to the Vehicle Code, to read:

35401.5. (a) A combination of vehicles consisting of a truck



tractor and semitrailer, or of a truck tractor, semitrailer, and trailer, is not subject to the limitations of Sections 35400, 35401, 35411, and subdivisions (b) to (e), inclusive, of Section 35402, when operating on the National System of Interstate and Defense Highways or when using those portions of federal-aid primary highways that have been qualified by the United States Secretary of Transportation for such use, or when using routes appropriately identified by the Department of Transportation or local authorities as provided in subdivision (b), if the following conditions are met:

(1) The length of the semitrailer in exclusive combination with a truck tractor does not exceed 48 feet. For purposes of this paragraph, a motortruck used in combination with a semitrailer, when that combination of vehicles is engaged solely in the transportation of motor vehicles, is considered to be a truck tractor.

(2) Neither the length of the semitrailer nor the length of the trailer when simultaneously in combination with a truck tractor exceeds 28 feet. However, semitrailers or trailers not exceeding 28 feet six inches in length and which were in lawful operation on December 1, 1982, may be used in vehicle combinations under this paragraph.

(b) Combinations of vehicles operated pursuant to subdivision (a) may also use highways not specified in subdivision (a) which provide reasonable access to facilities for purposes limited to fuel, food, lodging, and repair when that access is consistent with the safe operation of the combinations of vehicles and when the facility is within one-half road mile of identified points of ingress and egress to or from highways specified in subdivision (a) for use by those combinations of vehicles. However, access to a terminal is permitted only on those routes which the Department of Transportation and affected local authorities have jointly identified and signed as being connections between terminals and the highways specified in subdivision (a), after having determined that the route or routes are adequate to accommodate the vehicle combinations specified in subdivision (a). The signing of routes by the Department of Transportation and local authorities shall be necessary only to indicate those routes which may be used as terminal connection routes.

For purposes of this subdivision, "terminal" means a facility at which freight is consolidated to be shipped and where full-load consignments may be offloaded, or at which the vehicle combinations are regularly maintained, stored, or manufactured.

(c) Notwithstanding subdivision (b), the limitations of access specified in that subdivision do not apply to licensed carriers of household goods when directly enroute to or from a point of loading or unloading of household goods, if travel on highways other than those specified in subdivision (a) is necessary and incidental to the shipment of the household goods.

SEC. 17. Section 35411 of the Vehicle Code is amended to read:  
35411. (a) Except as provided in subdivision (b), the load upon

any combination of vehicles shall not exceed 75 feet measured from the front extremity of the front vehicle or load to the rear extremity of the last vehicle or load.

(b) The load upon any combination of vehicles operating pursuant to Section 35401 or 35401.5, when the overall length of the combination of vehicles exceeds 75 feet, shall be confined within the exterior dimensions of the vehicles.

SEC. 18. Section 35784 of the Vehicle Code is amended to read:

35784. (a) It is unlawful for any person to violate any of the terms or conditions of any special permit, except that, in an incorporated city where compliance with the route described in the permit would result in a violation of local traffic regulations, the permittee may detour from the prescribed route to avoid the violation if the permittee returns as soon as possible to the prescribed route. A detour under this section shall be made on only nonresidential streets.

(b) If a violation under subdivision (a), which occurs as a result of an extralegal load not being on the route described in the special permit, is directly caused by the action of an employee under the supervision of, or by the action of any independent contractor working for, any person subject to this section, the employee or independent contractor, as the case may be, causing the violation is guilty of a misdemeanor. That guilt shall not extend to the person employing the employee or retaining the independent contractor, unless that person is separately guilty of an action violating a provision of this section. This subdivision applies only if the employee or independent contractor has been provided written direction on the route to travel and has not been directed to take a different route by a peace officer.

(c) Any person convicted of transporting an extralegal load which is oversize, without a permit as authorized in Section 35780, shall be punished, in addition to the fine specified in Section 42030, by a fine of not exceeding five hundred dollars (\$500), or by imprisonment in the county jail for not exceeding six months, or by both that fine and imprisonment.

SEC. 19. Section 42030 of the Vehicle Code is amended to read:

42030. Every person convicted of a violation of any weight limitation provision of Division 15 (commencing with Section 35000), and every person convicted of a violation of Section 21461 with respect to signs provided for by Sections 35654 and 35752, and every person convicted of a violation involving an extralegal load, and every person convicted of a violation of Section 40001 for requiring the operation of a vehicle upon a highway in violation of any provision referred to in this section shall be punished by a fine which shall equal the amounts specified in the following table:

<i>Pounds of excess weight</i>	<i>Fine</i>
0- 1,000 .....	\$ 20
1,001- 1,500 .....	30
1,501- 2,000 .....	40
2,001- 2,500 .....	55
2,501- 3,000 .....	85
3,001- 3,500 .....	105
3,501- 4,000 .....	125
4,001- 4,500 .....	145
4,501- 5,000 .....	175
5,001- 6,000 .....	.04 each lb.
6,001- 7,000 .....	.06 each lb.
7,001- 8,000 .....	.08 each lb.
8,001-10,000 .....	.15 each lb.
10,001 and over .....	.20 each lb.

No part of the penalties prescribed by this section shall be suspended upon a conviction of a violation of any provision referred to in this section when the amount of the weight violation exceeds 4,000 pounds, or when a second or subsequent conviction of a violation of any provision referred to in this section occurs within three years immediately preceding the violation charged, or upon a conviction of a violation of Section 40001 for requiring operation of a vehicle upon a highway in violation of any provision referred to in this section.

The court shall exercise discretion with respect to the imposition of a fine under this section for excess weight not exceeding 1,000 pounds if the load of the vehicle cited consisted entirely of field-loaded, unprocessed bulk agricultural or forest products being transported from the field to the first point of processing or handling.

SEC. 20. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 21. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the changes in vehicular width limitations set forth in this act may be implemented without delay, it is necessary that this act take effect immediately.

The Federal Surface Transportation Assistance Act of 1982 prohibits the states from enforcing certain length limit presently existing in California. In order to conform state law to federal law, it is necessary that this act take effect immediately.

## CHAPTER 146

An act to amend Sections 987.603, 987.61, and 987.65 of the Military and Veterans Code, relating to veterans' farm and home purchase, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1983. Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 987.603 of the Military and Veterans Code is amended to read:

987.603. The department may acquire a leasehold interest in trust land and contract with an Indian veteran as provided in Sections 987.601 and 987.602 upon the terms agreed if all of the following conditions are met:

(a) The department is satisfied of the desirability of the property submitted.

(b) The Indian veteran has agreed with the department that he or members of his immediate family will actually reside on the property within 60 days from the date of acquisition by the department, or if the residence on the property is not complete on the date of acquisition, within 60 days after the residence is completed.

(c) The sum to be expended by the department pursuant to a contract for the acquisition of a home or the construction of a dwelling house and other improvements does not exceed seventy-five thousand dollars (\$75,000).

(d) The Indian veteran has paid a reasonable fee set by the department to cover the cost of preliminary service of the department that may be necessary to process the application.

(e) The Indian veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon the real property, together with a contract executed by a contractor licensed by the State of California or by an Indian contractor approved by the department for the construction of the improvements, in accordance with the plans and specifications, within eight months after the acquisition of the leasehold interest in the real property by the department, and a bond executed by the contractor providing for compliance with the terms of the contract and for the payment of materialmen and labor furnishing material or labor on the job, executed by a surety company, authorized to do business in the State of California.

(f) The plans, specifications, contract, and bond are approved by the department.

(g) The Indian veteran has placed in escrow all sums of money to be advanced by him where the cost is in excess of the maximum that may be expended by the department.

As used in this section, "immediate family" includes only the following:

Spouse; children, either natural or adoptive; and the parents if they are dependent upon the veteran for 50 percent or more of their support.

SEC. 2. Section 987.61 of the Military and Veterans Code is amended to read:

987.61. The department may purchase property, subject to a participation contract providing for a loan term of not less than 23 years. In no event shall the purchase price plus the participation contract exceed seventy-five thousand dollars (\$75,000) or equal more than 95 percent of the market value of the property as determined by department appraisal, whichever is the lower amount.

SEC. 3. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. The purchase price of a home to the department, or the sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements, shall not exceed the sum of seventy-five thousand dollars (\$75,000), except that the purchase price of a mobilehome sited on a lot owned by the purchaser and installed on a foundation system pursuant to Section 18551 of the Health and Safety Code shall not exceed seventy-five thousand dollars (\$75,000), or of a mobilehome which is to be sited in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, shall not exceed fifty-five thousand dollars (\$55,000). A veteran purchasing the home may advance, subject to Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required, under Section 987.69 of this code, to add to the purchase price of the home in fixing the selling price thereof to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds.

The purchase price of a farm to the department shall not exceed two hundred thousand dollars (\$200,000). A veteran purchasing the farm may advance the difference between the total price of the farm, or the cost of the dwelling and improvements to be constructed on a farm under a contract, and the sum of the purchase price to the department or contract price to the department and any amount which the department is required, under Section 987.69 of this code, to add to the purchase or contract price to the department in fixing the selling price of the farm to the veteran.

SEC. 4. The increased farm and home purchase benefits enacted by this act are applicable only in the case of applications for benefits under the Veterans' Farm and Home Purchase Act of 1974 filed with the Department of Veterans Affairs on or after the effective date of this act.

SEC. 5. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the Cal-Vet farm and home purchase program to more nearly reflect the actual housing situation in this state and make the benefits of these provisions available to qualified veterans as soon as possible, it is necessary for this act to become effective immediately.

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## CHAPTER 147

An act to amend Sections 31681.8 and 31874.3 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor June 29, 1983. Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 31681.8 of the Government Code is amended to read:

31681.8. (a) The board of supervisors in any county under the County Employees Retirement Law of 1937 may provide, effective on a date determined by the board, for cost-of-living payments, in addition to those payable under Articles 16.5 and 16.6, to members of this system or a superseded system who retired and to their surviving beneficiaries who are receiving allowances under this system, provided the following conditions are met:

(1) On January 1 of the year of adoption or readoption of this section, the accumulations established by Section 31870, 31870.1, or 31870.2, as applicable, shall, for any member, equal or exceed 25 percent in order for that member to be eligible for such cost-of-living payment.

(2) The payments shall be made either quarterly or monthly to those members and survivors eligible for the first payment.

(3) The amount of each payment is equal to the product of a sum determined by the board of supervisors, but not to exceed fifteen dollars (\$15) times the member's full years of county service not exceeding 30 years.

(b) The payments made pursuant to this section and Section 31739.5 shall be made only during the lifetimes of the members or their survivors receiving allowances and to no other person.

(c) The payments made pursuant to this section and Section 31739.5 shall not be considered as a part of the monthly retirement allowance, optional death allowance, or annual death allowance, nor shall any such payments be construed as guaranteeing any similar payments in any subsequent year.

(d) Notwithstanding subdivision (a), the payments to beneficiaries of members pursuant to Section 31760.1, 31765.1,

31781.1, or 31785 or to beneficiaries who elected a combined benefit pursuant to Section 31781.3 shall be 60 percent of the payments which otherwise would have been payable under subdivision (a) to the members.

(e) Notwithstanding subdivision (a), the payments to beneficiaries of members who elected optional settlement 3 pursuant to Section 31763 shall be 50 percent of the payments which otherwise would have been payable under subdivision (a) to the member.

(f) This section shall not be operative in any county in any year, unless it is adopted or readopted in any year by the board of supervisors. Any such adoption or readoption in any particular year shall not be construed to require any adoption or readoption in any subsequent year.

Before adoption by the board of supervisors in any year, the cost of the payments authorized by this section and Section 31739.5 shall be determined by a qualified actuary and the board of supervisors shall, with advice of the actuary, provide for the payment of such cost in such manner as to fully fund the benefits on a sound actuarial basis, including use of available funds in the reserves provided in Section 31592.2 with the approval of the retirement board, or an increase in the employer rates of contributions, or a combination of these sources of payments. This actuarial determination shall be made only upon authorization by the board of supervisors.

This section shall remain in effect only until January 1, 1989, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1989, deletes or extends such date.

SEC. 2. Section 31874.3 of the Government Code is amended to read:

31874.3. (a) Whenever the percentage of annual increase in the cost of living as of January 1 of each year as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers exceeds 3 percent, the board of retirement may provide that all or part of such excess over either 2 percent or 3 percent shall be applied to the retirement allowances, optional death allowances or annual death allowances increased in Section 31870 or 31870.1. The board shall determine the amount of such excess to be applied and such amount shall not exceed an amount that can be paid from earnings of the retirement fund which are in excess of the total interest credited to contributions and reserves plus 1 percent of the total assets of the retirement fund.

Such supplemental increases in excess of the 3-percent increases applied to the retirement allowances, optional death allowances or annual death allowances increased in Section 31870 or 31870.1 shall not become a part of the retirement allowances, optional death allowances or annual death allowances to be increased by subsequent increases under Section 31870 or 31870.1.

This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section

31870 or 31870.1 applicable in such county.

(b) The board of retirement may, instead of taking action pursuant to subdivision (a), provide supplemental cost-of-living increases, effective on a date to be determined by the board, to the retirement allowances, optional death allowances or annual death allowances increased in Section 31870 or 31870.1; provided however, that only those members shall be eligible for this increase whose accumulations established by Section 31870 or 31870.1 shall equal or exceed 25 percent as of January 1 of the year in which the board of retirement adopts an increase hereunder.

The supplemental increases to the retirement allowances, optional death allowances or annual death allowances increased in Section 31870 or 31870.1 shall not become a part of the retirement allowances, optional death allowances or annual death allowances to be increased by subsequent increases under Section 31870 or 31870.1.

This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870 or 31870.1 applicable in such county.

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## CHAPTER 148

An act to amend Section 10427.1 of the Streets and Highways Code, relating to improvement acts.

[Approved by Governor June 29, 1983 Filed with  
Secretary of State June 29, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 10427.1 of the Streets and Highways Code is amended to read:

10427.1. If there is no supplemental assessment, the entire amount of the surplus shall be applied as a credit to the assessment. If any supplemental assessment has been levied, all or any part of the surplus shall be applied as a credit upon the assessment and any supplemental assessment, or any of them, as the legislative body may determine. Any credit upon the assessment or any supplemental assessment shall be made in the proportion which each individual assessment, or installment of principal thereof, bears to the total of all individual assessments in the assessment or supplemental assessments upon which the surplus is to be credited.

Where an individual assessment, or any installment of the principal thereof, has been paid in cash, the credit shall be returned in cash to the person or persons paying the same upon their furnishing satisfactory evidence of payment.

Where all or any part of an individual assessment remains unpaid, if the individual assessment is not payable in installments, the credit shall be applied in its entirety upon the individual assessment.



Where all or any part of an individual assessment remains unpaid and is payable in installments, the amount apportioned to each parcel shall be credited against the next installment or installments unpaid upon it after the two-year period specified below. When any or all of the surplus is to be applied as a credit upon the assessment, payable in installments, no credit may be paid or credited as provided in this section until after a period of two years from the date of receipt of proceeds of the sale of bonds by the legal entity conducting the proceedings.

There shall be transferred to the general fund of the city (a) any portion of the surplus which has not been paid to or claimed by the persons entitled thereto within four years from the date of recordation of the assessment and any supplemental assessment or, if bonds have been issued, within four years after the due date of the last installment upon the bonds or of the last principal coupon attached thereto, and (b) any interest earned from the investment of any moneys constituting all or any part of the surplus when the surplus attributable to an individual remaining assessment is fifty dollars (\$50) or less. If the surplus attributable to an individual remaining assessment is greater than fifty dollars (\$50), any interest earned thereon, less administrative cost of investing and crediting, shall be applied as a credit to the assessment.

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## CHAPTER 149

An act to amend Section 27281 of the Government Code, relating to government of counties.

[Approved by Governor June 29, 1983 Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 27281 of the Government Code is amended to read:

27281. Deeds or grants conveying any interest in or easement upon real estate to a political corporation or governmental agency for public purposes shall not be accepted for recordation without the consent of the grantee evidenced by its certificate or resolution of acceptance attached to or printed on the deed or grant. If a certificate of acceptance is used, it shall be in substantially the following form:

This is to certify that the interest in real property conveyed by the deed or grant dated \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_, a political corporation and/or governmental agency is hereby accepted by order of the

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(legislative body)  
on \_\_\_\_\_, (or by the undersigned officer or agent  
(date)  
on behalf of the

\_\_\_\_\_  
(legislative body)  
pursuant to authority conferred by resolution of the

\_\_\_\_\_  
(legislative body)  
adopted on \_\_\_\_\_,) and the grantee consents to  
(date)  
recordation thereof by its duly authorized officer.

Dated \_\_\_\_\_ By \_\_\_\_\_

A political corporation or governmental agency, by a general resolution, may authorize one or more officers or agents to accept and consent to such deeds or grants.

## CHAPTER 150

An act to amend Sections 101, 130, 205, 6710, 8706, and 8710 of the Business and Professions Code, relating to professional engineers.

[Approved by Governor June 29, 1983 Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 101 of the Business and Professions Code is amended to read:

101. The department is comprised of:

- (a) The Board of Dental Examiners of California.
- (b) The Board of Medical Quality Assurance of the State of California.
- (c) The State Board of Optometry.
- (d) The California State Board of Pharmacy.
- (e) The Board of Examiners in Veterinary Medicine.
- (f) The State Board of Accountancy.
- (g) The California State Board of Architectural Examiners.
- (h) The State Board of Barber Examiners.
- (i) The State Board of Registration for Professional Engineers and Land Surveyors.
- (j) The Contractors' State License Board.
- (k) The State Board of Cosmetology.
- (l) The State Board of Funeral Directors and Embalmers.
- (m) The Structural Pest Control Board.
- (n) The Bureau of Home Furnishings.
- (o) The Board of Registered Nursing.

- (p) The State Board of Fabric Care.
- (q) The Board of Chiropractic Examiners.
- (r) The Board of Behavioral Science Examiners.
- (s) The State Athletic Commission.
- (t) The Cemetery Board.
- (u) The State Board of Guide Dogs for the Blind.
- (v) The Bureau of Collection and Investigative Services.
- (w) The Certified Shorthand Reporters Board.
- (x) The Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California.
- (y) The California State Board of Landscape Architects.
- (z) The Bureau of Repair Services.
- (aa) The Bureau of Employment Agencies.
- (ab) The Board of Osteopathic Examiners.
- (ac) The Division of Investigation.
- (ad) The Bureau of Automotive Repair.
- (ae) The State Board of Registration for Geologists and Geophysicists.
- (af) The State Board of Examiners of Nursing Home Administrators.
- (ag) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 2. Section 130 of the Business and Professions Code is amended to read:

130. (a) Notwithstanding any other provision of law, as the term of office of any member of an agency designated in subdivision (b) of this section expires on or after the effective date of this section, the first appointment to such office thereafter shall be for a term expiring on June 1st of the third year following the year in which such previous term expired. Thereafter, appointment to such office shall be for a term of four years expiring on June 1st.

(b) Subdivision (a) of this section shall apply to the following boards or committees:

- (1) Board of Medical Quality Assurance of the State of California
- (2) Podiatry Examining Committee
- (3) Physical Therapy Examining Committee
- (4) Board of Registered Nursing
- (5) Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California
- (6) State Board of Optometry
- (7) California State Board of Pharmacy
- (8) Board of Examiners in Veterinary Medicine
- (9) California State Board of Architectural Examiners
- (10) California State Board of Landscape Architects
- (11) State Board of Barber Examiners
- (12) State Board of Registration for Professional Engineers and Land Surveyors
- (13) Contractors' State License Board
- (14) State Board of Cosmetology

- (15) State Board of Guide Dogs for the Blind
- (16) State Board of Funeral Directors and Embalmers
- (17) Board of Behavioral Science Examiners
- (18) Structural Pest Control Board
- (19) Cemetery Board
- (20) Bureau of Electronic and Appliance Repair Advisory Board
- (21) Certified Shorthand Reporters Board
- (22) State Board of Registration for Geologists and Geophysicists
- (23) State Athletic Commission
- (24) California Advisory Board to the Bureau of Employment Agencies

(25) Board of Osteopathic Examiners of the State of California  
SEC. 3. Section 205 of the Business and Professions Code is amended to read:

205. There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

Accountancy Fund.

California State Board of Architectural Examiners' Fund.

Athletic Commission Fund.

State Board of Barber Examiners' Fund.

Cemetery Fund.

Contractors' License Fund.

Board of Cosmetology's Contingent Fund.

State Dentistry Fund.

Fabric Care Fund.

State Funeral Directors and Embalmers' Fund.

Bureau of Home Furnishings Fund.

State Board of Landscape Architects' Fund.

Contingent Fund of the Board of Medical Examiners.

Board of Nurse Examiners' Fund.

State Optometry Fund.

Pharmacy Board Contingent Fund.

Physical Therapy Fund.

Private Investigator and Adjuster Fund.

Professional Engineers' and Land Surveyors' Fund.

Consumer Affairs Fund.

Behavioral Science Examiners Fund.

Shorthand Reporters' Fund.

Structural Pest Control Fund.

Board of Veterinary Examiners' Contingent Fund.

Vocational Nurse Examiners' Fund.

For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each such account or fund shall be available for expenditure only for such purposes as are now or may hereafter be provided by law.

SEC. 4. Section 6710 of the Business and Professions Code is amended to read:

6710. There is in the Department of Consumer Affairs a State Board of Registration for Professional Engineers and Land Surveyors, which consists of 13 members.

SEC. 5. Section 8706 of the Business and Professions Code is amended to read:

8706. "Board" refers to the State Board of Registration for Professional Engineers and Surveyors.

SEC. 6. Section 8710 of the Business and Professions Code is amended to read:

8710. The State Board of Registration for Professional Engineers and Land Surveyors is vested with power to administer the provisions and requirements of this chapter, and may make and enforce rules and regulations which are reasonably necessary to carry out its provisions.

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## CHAPTER 151

An act to amend Section 2456 of the Business and Professions Code, relating to osteopathy.

[Approved by Governor June 29, 1983 Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2456 of the Business and Professions Code is amended to read:

2456. (a) Each person holding a certificate issued by the Board of Osteopathic Examiners residing in or out of California shall pay to the secretary-treasurer of the board an annual tax and registration fee on or before the first day of January of each year.

(b) Fictitious name permits issued by the Board of Osteopathic Examiners as provided in Section 2415 shall expire on December 31st of each year. The initial permit fee shall not exceed one hundred dollars (\$100) and the renewal permit fee shall not exceed one hundred dollars (\$100).

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## CHAPTER 152

An act to amend Section 1157.10 of the Government Code, relating to public employees.

[Approved by Governor June 29, 1983. Filed with  
Secretary of State June 29, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1157.10 of the Government Code is amended to read:

1157.10. Payroll deductions for state employees of public agencies, other than those under the uniform payroll system, shall be administered by the appropriate officer of the public agency. In administering payroll deductions the officer shall do all of the following:

(a) Make, cancel, or change a deduction at the request of the person or organization authorized to have the deduction. All requests shall be on forms approved by the public agency.

(b) Obtain a certification from any state agency, employee organization, or business entity requesting a deduction that they have, and will maintain, an authorization to make the deduction, signed by the individual from whose salary or wages the deduction is to be made.

(c) Provide for an agreement from organizations and business entities receiving deductions to relieve the public agency, its officers and employees, of any liability that may result from making, canceling, or changing requested deductions.

(d) Determine the cost of performing the requested deduction service and collect that cost from the organization, entity, or individual requesting or authorizing the deduction. Services requested which are incidental, but not necessary, to making the deduction may be performed at the public agency's discretion, with any additional cost to be paid by the requester.

(e) Prior to making a deduction for an employee organization or a bona fide association, determine that the organization or association has been recognized or registered by the appropriate authority.

(f) Decline to make deductions for any individual, organization, or entity if the public agency determines that it is not administratively feasible or practical to make the deduction.

(g) Make, cancel, or change a deduction not later than the month subsequent to the month in which the request is received. All deductions, cancellations, or changes shall be effective when made by the public agency.

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## CHAPTER 153

An act to amend Sections 37652 and 38861 of, and to repeal and add Section 37647 of, the Food and Agricultural Code, relating to milk products.

[Approved by Governor June 29, 1983. Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 37647 of the Food and Agricultural Code is repealed.

SEC. 2. Section 37647 is added to the Food and Agricultural Code, to read:

37647. The standards for moisture and fat for cottage cheese and lowfat cottage cheese to which any chives, fruits, or vegetables are added may be reduced by the percentage amount of those additions.

SEC. 3. Section 37652 of the Food and Agricultural Code is amended to read:

37652. In addition to the labeling provisions of Article 21 (commencing with Section 37971) any chives, fruits, or vegetables which are added to cottage cheese or lowfat cottage cheese shall be shown on the principal display panel following the product name with the word "and" or "with" preceding the common or usual name of the chives, fruits, or vegetables added.

SEC. 4. Section 38861 of the Food and Agricultural Code is amended to read:

38861. With the exception of those dairy products defined in Article 27 (commencing with Section 38731) and Article 28 (commencing with Section 38741) of this chapter, any milk product for which a standard of composition is established by or pursuant to this division, and which may be processed or manufactured with the treatment or addition of cultures, may also be processed or manufactured with the addition of food-grade acids acceptable to the director instead of, or in combination with, cultures, if the milk product otherwise conforms to all requirements for the product established by or pursuant to this division. If the milk product is processed or manufactured by an acidification process instead of, or in combination with, cultures, the word "acidified" shall be a part of the name of the product, and shall be included in the label of the product. However, if cottage cheese is manufactured by an acidification process, the term "directly set" may be substituted for the word "acidified."

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## CHAPTER 154

An act to amend Section 19574.1 of the Government Code, relating to state employment.

[Approved by Governor June 29, 1983. Filed with  
Secretary of State June 29, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 19574.1 of the Government Code is amended to read:

19574.1. An employee who has been served with notice of adverse action, or a representative designated by the employee, shall have the right to inspect any documents in the possession of or under the control of the appointing power which are relevant to the adverse action taken and which would be admissible in evidence at a hearing of the employee's appeal from the adverse action. The employee, or the designated representative, shall also have the right to interview other employees having knowledge of the acts or omissions upon which the adverse action was based. Interviews of other employees and inspection of documents shall be at times and places reasonable for the employee and for the appointing power.

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## CHAPTER 155

An act to amend Sections 483.015, 484.050, 484.060, 485.240, 488.080, 488.140, 488.375, 488.385, 488.455, 488.465, 488.730, 683.180, 685.020, 687.040, 695.020, 697.640, 697.650, 697.670, 697.730, 699.080, 700.140, 700.160, 703.110, 704.120, 704.710, 704.930, 708.140, 715.040, 724.060, 726, and 1801 of, to add Sections 488.620, 700.165, 700.167, 701.035, 703.115, and 917.65 to, the Code of Civil Procedure, to amend Sections 864 and 7609.5 of the Financial Code, to amend Sections 7170 and 26820.4 of, and to amend, repeal, and add Section 72055 of, the Government Code, to amend Section 2407 of the Probate Code, and to amend Section 1342 of the Unemployment Insurance Code, relating to creditors' remedies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983 Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 483.015 of the Code of Civil Procedure is amended to read:

483.015. (a) Subject to subdivision (b) and to Section 483.020, the amount to be secured by an attachment is the sum of the following:

(1) The amount of the defendant's indebtedness claimed by the plaintiff.

(2) Any additional amount included by the court under Section 482.110.

(b) The amount described in subdivision (a) shall be reduced by the sum of the following:

(1) The amount of any money judgment in favor of the defendant and against the plaintiff that remains unsatisfied and is enforceable.



(2) The amount of any indebtedness of the plaintiff that the defendant has claimed in a cross-complaint filed in the action if the defendant's claim is one upon which an attachment could be issued.

(3) The amount of any claim of the defendant asserted as a defense in the answer pursuant to Section 431.70 if the defendant's claim is one upon which an attachment could be issued had an action been brought on the claim when it was not barred by the statute of limitations.

SEC. 2. Section 484.050 of the Code of Civil Procedure is amended to read:

484.050. The notice of application and hearing shall inform the defendant of all of the following:

(a) A hearing will be held at a place and at a time, to be specified in the notice, on plaintiff's application for a right to attach order and a writ of attachment.

(b) The order will be issued if the court finds that the plaintiff's claim is probably valid and the other requirements for issuing the order are established. The hearing is not for the purpose of determining whether the claim is actually valid. The determination of the actual validity of the claim will be made in subsequent proceedings in the action and will not be affected by the decisions at the hearing on the application for the order.

(c) The amount to be secured by the attachment is the amount of the defendant's indebtedness claimed by the plaintiff over and above the sum of (1) the amount of any money judgment in favor of the defendant and against the plaintiff that remains unsatisfied and is enforceable, (2) the amount of any indebtedness of the plaintiff claimed by the defendant in a cross-complaint filed in the action if the defendant's claim is one upon which an attachment could be issued, and (3) the amount of any claim of the defendant asserted as a defense in the answer pursuant to Section 431.70 if the defendant's claim is one upon which an attachment could be issued had an action been brought on the claim when it was not barred by the statute of limitations.

(d) If the right to attach order is issued, a writ of attachment will be issued to attach the property described in the plaintiff's application unless the court determines that such property is exempt from attachment or that its value clearly exceeds the amount necessary to satisfy the amount to be secured by the attachment. However, additional writs of attachment may be issued to attach other nonexempt property of the defendant on the basis of the right to attach order.

(e) If the defendant desires to oppose the issuance of the order, the defendant shall file with the court and serve on the plaintiff a notice of opposition and supporting affidavit as required by Section 484.060 not later than five days prior to the date set for hearing.

(f) If the defendant claims that the personal property described in the application, or a portion thereof, is exempt from attachment, the defendant shall include that claim in the notice of opposition

filed and served pursuant to Section 484.060 or file and serve a separate claim of exemption with respect to the property as provided in Section 484.070. If the defendant does not do so, the claim of exemption will be barred in the absence of a showing of a change in circumstances occurring after the expiration of the time for claiming exemptions.

(g) The defendant may obtain a determination at the hearing whether real or personal property not described in the application or real property described in the application is exempt from attachment by including the claim in the notice of opposition filed and served pursuant to Section 484.060 or by filing and serving a separate claim of exemption with respect to the property as provided in Section 484.070, but the failure to so claim that the property is exempt from attachment will not preclude the defendant from making a claim of exemption with respect to the property at a later time.

(h) Either the defendant or the defendant's attorney or both of them may be present at the hearing.

(i) The notice shall contain the following statement: "You may seek the advice of an attorney as to any matter connected with the plaintiff's application. The attorney should be consulted promptly so that the attorney may assist you before the time set for hearing."

SEC. 3. Section 484.060 of the Code of Civil Procedure is amended to read:

484.060. (a) If the defendant desires to oppose the issuance of the right to attach order sought by plaintiff or objects to the amount sought to be secured by the attachment, the defendant shall file and serve upon the plaintiff no later than five days prior to the date set for the hearing a notice of opposition. The notice shall state the grounds on which the defendant opposes the issuance of the order or objects to the amount sought to be secured by the attachment and shall be accompanied by an affidavit supporting any factual issues raised and points and authorities supporting any legal issues raised. If the defendant fails to file a notice of opposition within the time prescribed, the defendant shall not be permitted to oppose the issuance of the order.

(b) If a defendant filing a notice of opposition desires to make any claim of exemption as provided in Section 484.070, the defendant may include such claim in the notice of opposition filed pursuant to this section.

SEC. 4. Section 485.240 of the Code of Civil Procedure is amended to read:

485.240. (a) Any defendant whose property has been attached pursuant to a writ issued under this chapter may apply for an order (1) that the right to attach order be set aside, the writ of attachment quashed, and any property levied upon pursuant to the writ be released, or (2) that the amount to be secured by the attachment be reduced as provided in Section 483.015. Such application shall be made by filing with the court and serving on the plaintiff a notice of

motion.

(b) The notice of motion shall state the grounds on which the motion is based and shall be accompanied by an affidavit supporting any factual issues raised and points and authorities supporting any legal issues raised. It shall not be grounds to set aside an order that the plaintiff would not have suffered great or irreparable injury (within the meaning of Section 485.010) if issuance of the order had been delayed until the matter could have been heard on notice.

(c) At the hearing on the motion, the court shall determine whether the plaintiff is entitled to the right to attach order or whether the amount to be secured by the attachment should be reduced. If the court finds that the plaintiff is not entitled to the right to attach order, it shall order the right to attach order set aside, the writ of attachment quashed, and any property levied on pursuant to the writ released. If the court finds that the plaintiff is entitled to the right to attach order, thereafter the plaintiff may apply for additional writs pursuant to Article 2 (commencing with Section 484.310) or Article 3 (commencing with Section 484.510) of Chapter 4.

(d) The court's determinations shall be made upon the basis of the pleadings and other papers in the record; but, upon good cause shown, the court may receive and consider at the hearing additional evidence, oral or documentary, and additional points and authorities, or it may continue the hearing for the production of such additional evidence or points and authorities.

(e) The hearing provided for in this section shall take precedence over all other civil matters on the calendar of that day except older matters of the same character.

SEC. 5. Section 488.080 of the Code of Civil Procedure is amended to read:

488.080. (a) A registered process server may levy under a writ of attachment on the following types of property:

- (1) Real property, pursuant to Section 488.315.
- (2) Growing crops, timber to be cut, or minerals or the like (including oil and gas) to be extracted or accounts receivable resulting from the sale thereof at the wellhead or minehead, pursuant to Section 488.325.
- (3) Personal property in the custody of a levying officer, pursuant to Section 488.355.
- (4) Equipment of a going business, pursuant to Section 488.375.
- (5) Motor vehicles, vessels, mobilehomes, or commercial coaches used as equipment of a going business, pursuant to Section 488.385.
- (6) Farm products or inventory of a going business, pursuant to Section 488.405.
- (7) Personal property used as a dwelling, pursuant to subdivision (a) of Section 700.080.
- (8) Deposit accounts, pursuant to Section 488.455 or 488.465.
- (9) Property in a safe-deposit box, pursuant to Section 488.460 or 488.465.
- (10) Accounts receivable or general intangibles, pursuant to

**Section 488.470.**

(11) Final money judgments, pursuant to Section 488.480.

(12) Interest of a defendant in personal property in the estate of a decedent, pursuant to Section 488.485.

(b) Before levying under the writ of attachment, the registered process server shall deposit a copy of the writ with the levying officer and pay the fee provided by Section 26721 of the Government Code.

(c) If a registered process server levies on property pursuant to subdivision (a), the registered process server shall do all of the following:

(1) Comply with the applicable levy, posting, and service provisions of Article 2 (commencing with Section 488.300).

(2) Deliver any undertaking required by Section 488.465.

(3) Request any third person served to give a garnishee's memorandum to the levying officer in compliance with Section 488.610.

(d) Within five days after levy under this section, all of the following shall be filed with the levying officer:

(1) The writ of attachment.

(2) An affidavit of the registered process server stating the manner of levy performed.

(3) Proof of service of the copy of the writ and notice of attachment on other persons as required by Article 2 (commencing with Section 488.300).

(4) Instructions in writing, as required by the provisions of Section 488.030.

(e) If the fee provided by Section 26721 of the Government Code has been paid, the levying officer shall perform all other duties under the writ as if the levying officer had levied under the writ and shall return the writ to the court. The levying officer is not liable for actions taken in conformance with the provisions of this title in reliance on information provided to the levying officer under subdivision (d) except to the extent that the levying officer has actual knowledge that the information is incorrect. Nothing in this subdivision limits any liability the plaintiff or registered process server may have if the levying officer acts on the basis of incorrect information provided under subdivision (d).

(f) The fee for services of a registered process server under this section may, in the court's discretion, be allowed as a recoverable cost. If allowed, the amount of the fee to be allowed is governed by Section 1032.8.

**SEC. 5.5.** Section 488.140 of the Code of Civil Procedure is amended to read:

**488.140.** (a) The levying officer or registered process server is not liable for actions taken in conformance with the provisions of this title, including actions taken in conformance with the provisions of this title in reliance on information contained in the written instructions of the plaintiff except to the extent the levying officer or registered process server has actual knowledge that the

information is incorrect. Nothing in this subdivision limits any liability the plaintiff may have if the levying officer or registered process server acts on the basis of incorrect information given in the written instructions.

(b) Unless the levying officer is negligent in the care or handling of the property, the levying officer is not liable to either the plaintiff or the defendant for loss by fire, theft, injury, or damage of any kind to personal property while (1) in the possession of the levying officer either in a warehouse or other storage place or in the custody of a keeper or (2) in transit to or from a warehouse or other storage place.

SEC. 6. Section 488.375 of the Code of Civil Procedure is amended to read:

488.375. (a) Except as provided by Section 488.385, to attach equipment of a going business in the possession or under the control of the defendant, the levying officer shall file with the office of the Secretary of State a notice of attachment, in the form prescribed by the Secretary of State, which shall contain all of the following:

- (1) The name and mailing address of the plaintiff.
- (2) The name and last known mailing address of the defendant.
- (3) The title of the court where the action is pending and the cause and number of the action.
- (4) A description of the specific property attached.
- (5) A statement that the plaintiff has acquired an attachment lien on the specified property of the defendant.

(b) Upon presentation of a notice of attachment under this section for filing, and tender of the filing fee to the office of the Secretary of State, the notice of attachment shall be filed, marked, and indexed in the same manner as a financing statement. The fee for filing in the office of the Secretary of State is the same as the fee for filing a financing statement in the standard form.

(c) Upon the request of any person, the Secretary of State shall issue a certificate showing whether there is on file in that office on the date and hour stated therein any notice of attachment filed against the equipment of a particular person named in the request. If a notice of attachment is on file, the certificate shall state the date and hour of filing of each such notice and any notice affecting any such notice of attachment and the name and address of the plaintiff. The fee for the certificate issued pursuant to this subdivision is the same as the fee for a certificate issued pursuant to Section 9407 of the Commercial Code. Upon request, the Secretary of State shall furnish a copy of any notice of attachment or notice affecting a notice of attachment for the fee for a copy prescribed by subdivision (2) of Section 9407 of the Commercial Code.

(d) The fee for filing, indexing, and furnishing filing data for a notice of extension of attachment is the same as the fee for a continuation statement under Section 9403 of the Commercial Code. The fee for filing, indexing, and furnishing filing data for a notice of release of attachment is the same as the fee for a statement of release under Section 9405 of the Commercial Code.

(e) If property subject to an attachment lien under this section becomes a fixture (as defined in Section 9313 of the Commercial Code), the attachment lien under this section is extinguished.

SEC. 7. Section 488.385 of the Code of Civil Procedure is amended to read:

488.385. (a) To attach a vehicle or vessel for which a certificate of ownership has been issued by the Department of Motor Vehicles, or a mobilehome or commercial coach for which a certificate of title has been issued by the Department of Housing and Community Development, which is equipment of a going business in the possession or under the control of the defendant, the levying officer shall file with the appropriate department a notice of attachment, in the form prescribed by the appropriate department, which shall contain all of the following:

- (1) The name and mailing address of the plaintiff.
- (2) The name and last known mailing address of the defendant.
- (3) The title of the court where the action is pending and the cause and number of the action.
- (4) A description of the specific property attached.
- (5) A statement that the plaintiff has acquired an attachment lien on the specific property of the defendant.

(b) Upon presentation of a notice of attachment, notice of extension, or notice of release under this section for filing and tender of the filing fee to the appropriate department, the notice shall be filed and indexed. The fee for filing and indexing the notice is three dollars (\$3).

(c) Upon the request of any person, the department shall issue its certificate showing whether there is on file in that department on the date and hour stated therein any notice of attachment filed against the property of a particular person named in the request. If a notice of attachment is on file, the certificate shall state the date and hour of filing of each such notice of attachment and any notice affecting any such notice of attachment and the name and address of the plaintiff. The fee for the certificate issued pursuant to this subdivision is three dollars (\$3). Upon request, the department shall furnish a copy of any notice of attachment or notice affecting a notice of attachment for a fee of one dollar (\$1) per page.

(d) If property subject to an attachment lien under this section becomes a fixture (as defined in Section 9313 of the Commercial Code), the attachment lien under this section is extinguished.

SEC. 8. Section 488.455 of the Code of Civil Procedure is amended to read:

488.455. (a) To attach a deposit account, the levying officer shall personally serve a copy of the writ of attachment and a notice of attachment on the financial institution with which the deposit account is maintained. The attachment lien reaches only amounts in the deposit account at the time of service on the financial institution (including any item in the deposit account that is in the process of being collected unless the item is returned unpaid to the financial

institution).

(b) At the time of levy or promptly thereafter, the levying officer shall serve a copy of the writ of attachment and a notice of attachment on any third person in whose name the deposit account stands.

(c) Subject to Section 488.465, during the time the attachment lien is in effect, the financial institution shall not honor a check or other order for the payment of money drawn against, and shall not pay a withdrawal from, the deposit account that would reduce the deposit account to an amount less than the amount attached. For the purposes of this subdivision, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(d) During the time the attachment lien is in effect, the financial institution is not liable to any person for any of the following:

(1) Performance of the duties of a garnishee under the attachment.

(2) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account where the nonpayment is pursuant to the requirements of subdivision (c).

(3) Refusal to pay a withdrawal from the deposit account where the refusal is pursuant to the requirements of subdivision (c).

(e) When the amount attached pursuant to this section is paid to the levying officer, the attachment lien on the attached deposit account terminates.

(f) For the purposes of this section and Section 488.465, neither of the following is a third person in whose name the deposit account stands:

(1) A person who is only a person named as the beneficiary of a Totten trust account.

(2) A person who is only a payee designated in a pay-on-death provision in an account pursuant to Section 852.5, 7604.5, 11203.5, 14854.5, or 18318.5 of the Financial Code or other similar provision.

SEC. 8.2. Section 488.465 of the Code of Civil Procedure is amended to read:

488.465. (a) The provisions of this section apply in addition to the provisions of Sections 488.455 and 488.460 if any of the following property is attached:

(1) A deposit account standing in the name of a third person or in the names of both the defendant and a third person.

(2) Property in a safe-deposit box standing in the name of a third person or in the names of both the defendant and a third person.

(b) The plaintiff shall provide, and the levying officer shall deliver to the financial institution at the time of levy, an undertaking for not less than twice the amount of the attachment or, if a lesser amount in a deposit account is sought to be levied upon, not less than twice the lesser amount. The undertaking shall indemnify any third person rightfully entitled to the property against actual damage by reason

of the attachment of the property and shall assure to the third person the return of the property upon proof of the person's right thereto. The undertaking need not name the third person specifically but may refer to the third person generally in the same manner as in this subdivision. If the provisions of this subdivision are not satisfied, the attachment is ineffective and the financial institution shall not comply with the requirements of this section or with the attachment.

(c) Upon delivery of the undertaking to the financial institution, the financial institution shall immediately mail or deliver a notice of the delivery of the undertaking to the third person in whose name the deposit account or safe-deposit box stands. If mailed, the notice shall be sent by registered or certified mail addressed to the person's last address known to the financial institution. The financial institution shall deliver the undertaking as directed by the third person.

(d) Notwithstanding Article 4 (commencing with Section 488.600), from the time of levy and delivery of the undertaking to the financial institution until 15 days after the notice is mailed or delivered under subdivision (c) if no objection to the undertaking is made or, if such objection is made, until the court determines that the undertaking is sufficient, the financial institution shall not do any of the following:

(1) Honor a check or other order for the payment of money drawn against, or pay a withdrawal from, the deposit account that would reduce the deposit account to less than the amount attached. For the purposes of this paragraph, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(2) Permit the removal of any of the contents of the safe-deposit box except pursuant to the writ.

(e) The financial institution is not liable to any person for any of the following during the period prescribed in subdivision (d):

(1) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account where the nonpayment is pursuant to the requirements of subdivision (d).

(2) Refusal to pay a withdrawal from the deposit account where the refusal is pursuant to the requirements of subdivision (d).

(3) Refusal to permit access to the safe-deposit box by the person in whose name it stands.

(4) Removal of any of the contents of the safe-deposit box pursuant to the attachment.

(f) Upon the expiration of the period prescribed in subdivision (d), the financial institution shall comply with the attachment and Sections 488.455 and 488.460 apply.

SEC. 8.3. Section 488.620 is added to the Code of Civil Procedure, to read:

488.620. A third person who gives a garnishee's memorandum pursuant to this title is not liable to any person for the disclosure in



the garnishee's memorandum of any information contained in the garnishee's memorandum.

SEC. 9. Section 488.730 of the Code of Civil Procedure is amended to read:

488.730. (a) The levying officer shall release attached property when the levying officer receives a written direction to release the property from the plaintiff's attorney of record or, if the plaintiff does not have an attorney of record, from the plaintiff or when the levying officer receives a certified copy of a court order for release or when otherwise required to release the property. The release extinguishes any attachment lien in favor of the plaintiff on the property released.

(b) If the property to be released has been taken into custody under the levy, it shall be released to the person from whom it was taken unless otherwise ordered by the court. If the person does not claim the property to be released, the levying officer shall retain custody of the property and shall serve on the person a notice of where possession of the property may be obtained. If the person does not claim the property within 30 days after the notice is served, the levying officer shall sell the property (other than cash which does not have a value exceeding its face value) in the manner provided by Article 6 (commencing with Section 701.510) of Chapter 3 of Division 2 of Title 9. The levying officer shall deposit the proceeds of sale and cash, after first deducting the levying officer's costs, with the county treasurer of the county where the property is located payable to the order of the person. If the amount deposited is not claimed by the person or the legal representative of the person within five years after the deposit is made, by making application to the treasurer or other official designated by the county, it shall be paid into the general fund of the county.

(c) If the property to be released has not been taken into custody under the levy, the levying officer shall release the attachment by issuing a written notice of release and serving it on the person who was served with a copy of the writ and a notice of attachment to create the lien.

(d) If the property to be released was levied upon by recording or filing a copy of the writ and a notice of attachment, the levying officer shall record or file a written notice of release in the same office.

(e) The levying officer is not liable for releasing an attachment in accordance with this section and no other person is liable for acting in conformity with the release.

SEC. 9.5. Section 683.180 of the Code of Civil Procedure is amended to read:

683.180. (a) If a judgment lien on an interest in real property has been created pursuant to a money judgment and the judgment is renewed pursuant to this article, the duration of the judgment lien is extended until 10 years from the date of the filing of the application for renewal if, before the expiration of the judgment lien, a certified copy of the application for renewal is recorded with the county

recorder of the county where the real property subject to the judgment lien is located.

(b) A judgment lien on an interest in real property that has been transferred subject to the lien is not extended pursuant to subdivision (a) if the transfer was recorded before the application for renewal was filed unless both of the following requirements are satisfied:

(1) A copy of the application for renewal is personally served on the transferee.

(2) Proof of such service is filed with the court clerk within 90 days after the filing of the application for renewal.

SEC. 10. Section 685.020 of the Code of Civil Procedure is amended to read:

685.020. (a) Except as provided in subdivision (b), interest commences to accrue on a money judgment on the date of entry of the judgment.

(b) Unless the judgment otherwise provides, if a money judgment is payable in installments, interest commences to accrue as to each installment on the date the installment becomes due.

SEC. 11. Section 687.040 of the Code of Civil Procedure is amended to read:

687.040. (a) The levying officer or registered process server is not liable for actions taken in conformance with the provisions of this title, including actions taken in conformance with the provisions of this title in reliance on information contained in the written instructions of the judgment creditor, or in reliance on information provided to the levying officer by a registered process server pursuant to subdivision (d) of Section 699.080 or subdivision (e) of Section 706.101 or subdivision (b) of Section 715.040 or other provision, except to the extent the levying officer or registered process server has actual knowledge that the information is incorrect. Nothing in this subdivision limits any liability the judgment creditor may have if the levying officer or registered process server acts on the basis of incorrect information given in the written instructions.

(b) Unless the levying officer is negligent in the care or handling of the property, the levying officer is not liable to either the judgment debtor or the judgment creditor for loss by fire, theft, injury, or damage of any kind to personal property while (1) in the possession of the levying officer either in a warehouse or other storage place or in the custody of a keeper or (2) in transit to or from a warehouse or other storage place.

SEC. 12. Section 695.020 of the Code of Civil Procedure is amended to read:

695.020. (a) Community property is subject to enforcement of a money judgment as provided in Title 8 (commencing with Section 5100) of Part 5 of Division 4 of the Civil Code.

(b) Unless the provision or context otherwise requires, if community property that is subject to enforcement of a money judgment is sought to be applied to the satisfaction of a money

judgment:

(1) Any provision of this division that applies to the property of the judgment debtor or to obligations owed to the judgment debtor also applies to the community property interest of the spouse of the judgment debtor and to obligations owed to the other spouse that are community property.

(2) Any provision of this division that applies to property in the possession or under the control of the judgment debtor also applies to community property in the possession or under the control of the spouse of the judgment debtor.

SEC. 12.1. Section 697.640 of the Code of Civil Procedure is amended to read:

697.640. (a) The judgment creditor, judgment debtor, owner of property subject to a judgment lien on personal property created under the judgment, or a person having a security interest in or a lien on the property subject to the judgment lien, may file in the office of the Secretary of State an acknowledgment of satisfaction of judgment executed as provided in Section 724.060 or a court clerk's certificate of satisfaction of judgment issued pursuant to Section 724.100, together with a statement containing the name of the judgment creditor, the name and address of the judgment debtor, and the file number of the notice of judgment lien. Upon such filing, the judgment lien created under the judgment that has been satisfied is extinguished as a matter of record. The fee for filing the acknowledgment or certificate is the same as the fee for filing a termination statement under Section 9404 of the Commercial Code.

(b) The filing officer shall treat an acknowledgment of satisfaction of judgment, or court clerk's certificate of satisfaction of judgment, and statement filed pursuant to this section in the same manner as a termination statement filed pursuant to Section 9404 of the Commercial Code.

SEC. 12.2. Section 697.650 of the Code of Civil Procedure is amended to read:

697.650. (a) The judgment creditor may by a writing do either of the following:

(1) Release the judgment lien on all or a part of the personal property subject to the lien.

(2) Subordinate to a security interest or other lien or encumbrance the judgment lien on all or a part of the personal property subject to the judgment lien.

(b) A statement of release or subordination is sufficient if it is signed by the judgment creditor and contains a description of the property being released or on which the lien is being subordinated, the name and address of the judgment debtor, and the file number of the notice of judgment lien, and, in the case of a statement of subordination, a description of the security interest or other lien or encumbrance to which the judgment lien is being subordinated.

(c) The filing officer shall treat a statement of release or subordination filed pursuant to this section in the same manner as a

statement of release filed pursuant to Section 9405 of the Commercial Code. The fee for filing the statement is the same as that provided in Section 9405 of the Commercial Code.

SEC. 12.3. Section 697.670 of the Code of Civil Procedure is amended to read:

697.670. (a) The Secretary of State may prescribe, provided that a cost-savings would be achieved thereby:

(1) The forms for the notice of judgment lien on personal property and the statement of release or subordination provided for in this article.

(2) The form for the statement provided for in Section 697.640 and the situations when that form is required or is not required.

(b) A form prescribed by the Secretary of State for a notice or statement pursuant to subdivision (a) is deemed to comply with this article and supersedes any requirements specified in this article for the notice or statement.

SEC. 12.4. Section 697.730 of the Code of Civil Procedure is amended to read:

697.730. (a) Subject to Section 701.630 and except as provided in subdivision (b), if tangible personal property subject to an execution lien is in the custody of a levying officer and is transferred or encumbered, the property remains subject to the lien after the transfer or encumbrance.

(b) If a levy upon tangible personal property of a going business is made by the levying officer placing a keeper in charge of the business, a purchaser of property subject to the execution lien takes the property free of the execution lien if the property is sold in the ordinary course of business while the keeper is in charge of the business.

SEC. 13. Section 699.080 of the Code of Civil Procedure is amended to read:

699.080. (a) A registered process server may levy under a writ of execution on the following types of property:

(1) Real property, pursuant to Section 700.015.

(2) Growing crops, timber to be cut, or minerals or the like (including oil and gas) to be extracted or accounts receivable resulting from the sale thereof at the wellhead or minehead, pursuant to Section 700.020.

(3) Personal property in the custody of a levying officer, pursuant to Section 700.050.

(4) Personal property used as a dwelling, pursuant to subdivision (a) of Section 700.080.

(5) Deposit accounts, pursuant to Section 700.140 or 700.160.

(6) Property in a safe-deposit box, pursuant to Section 700.150 or 700.160.

(7) Accounts receivable or general intangibles, pursuant to Section 700.170.

(8) Final money judgments, pursuant to Section 700.190.

(9) Interest of a judgment debtor in personal property in the

estate of a decedent, pursuant to Section 700.200.

(b) Before levying under the writ of execution, the registered process server shall deposit a copy of the writ with the levying officer and pay the fee provided by Section 26721 of the Government Code.

(c) If a registered process server levies on property pursuant to subdivision (a), the registered process server shall do all of the following:

(1) Comply with the applicable levy, posting, and service provisions of Article 4 (commencing with Section 700.010).

(2) Deliver any undertaking required by Section 700.160.

(3) Request any third person served to give a garnishee's memorandum to the levying officer in compliance with Section 701.030.

(d) Within five days after levy under this section, all of the following shall be filed with the levying officer:

(1) The writ of execution.

(2) An affidavit of the registered process server stating the manner of levy performed.

(3) Proof of service of the copy of the writ and notice of levy on other persons as required by Article 4 (commencing with Section 700.010).

(4) Instructions in writing, as required by the provisions of Section 687.010.

(e) If the fee provided by Section 26721 of the Government Code has been paid, the levying officer shall perform all other duties under the writ as if the levying officer had levied under the writ and shall return the writ to the court.

(f) The fee for services of a registered process server under this section may, in the court's discretion, be allowed as a recoverable cost upon a motion pursuant to Section 685.080. If allowed, the amount of the fee to be allowed is governed by Section 1032.8.

SEC. 14. Section 700.140 of the Code of Civil Procedure is amended to read:

700.140. (a) To levy upon a deposit account, the levying officer shall personally serve a copy of the writ of execution and a notice of levy on the financial institution with which the deposit account is maintained. The execution lien reaches only amounts in the deposit account at the time of service on the financial institution (including any item in the deposit account that is in the process of being collected unless the item is returned unpaid to the financial institution).

(b) At the time of levy or promptly thereafter, the levying officer shall serve a copy of the writ of execution and a notice of levy on any third person in whose name the deposit account stands. Service shall be made personally or by mail.

(c) Subject to Sections 700.160, 700.165, and 700.167, during the time the execution lien is in effect, the financial institution shall not honor a check or other order for the payment of money drawn against, and shall not pay a withdrawal from, the deposit account that

would reduce the deposit account to an amount less than the amount levied upon. For the purposes of this subdivision, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(d) During the time the execution lien is in effect, the financial institution is not liable to any person for any of the following:

(1) Performance of the duties of a garnishee under the levy.

(2) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account where such nonpayment is pursuant to the requirements of subdivision (c).

(3) Refusal to pay a withdrawal from the deposit account where such refusal is pursuant to the requirements of subdivision (c).

(e) When the amount levied upon pursuant to this section is paid to the levying officer, the execution lien on the deposit account levied upon terminates.

(f) For the purposes of this section and Section 700.160, neither of the following is a third person in whose name the deposit account stands:

(1) A person who is only a person named as the beneficiary of a Totten trust account.

(2) A person who is only a payee designated in a pay-on-death provision in an account pursuant to Section 852.5, 7604.5, 11203.5, 14854.5, or 18318.5 of the Financial Code or other similar provision.

SEC. 14.3. Section 700.160 of the Code of Civil Procedure is amended to read:

700.160. (a) The provisions of this section apply in addition to the provisions of Sections 700.140 and 700.150 if any of the following property is levied upon:

(1) A deposit account standing in the name of a third person or in the names of both the judgment debtor and a third person.

(2) Property in a safe-deposit box standing in the name of a third person or in the names of both the judgment debtor and a third person.

(b) The judgment creditor shall provide, and the levying officer shall deliver to the financial institution at the time of levy, an undertaking for not less than twice the amount of the judgment or, if a lesser amount in a deposit account is sought to be levied upon, not less than twice the lesser amount. The undertaking shall indemnify any third person rightfully entitled to the property against actual damage by reason of the levy on the property and shall assure to the third person the return of the property upon proof of the person's right thereto. The undertaking need not name the third person specifically but may refer to the third person generally in the same manner as in this subdivision. If the provisions of this subdivision are not satisfied, the levy is ineffective and the financial institution shall not comply with the requirements of this section or with the levy.

(c) Upon delivery of the undertaking to the financial institution,

the financial institution shall immediately mail or deliver a notice of the delivery of the undertaking to the third person in whose name the deposit account or safe-deposit box stands. If mailed, the notice shall be sent by registered or certified mail addressed to the person's last address known to the financial institution. The financial institution shall deliver the undertaking as directed by the third person.

(d) Notwithstanding Article 5 (commencing with Section 701.010), from the time of levy and the delivery of the undertaking to the financial institution until 15 days after the notice is mailed or delivered under subdivision (c) if no objection to the undertaking is made or, if such objection is made, until the court determines that the undertaking is sufficient, the financial institution shall not do any of the following:

(1) Honor a check or other order for the payment of money drawn against, or pay a withdrawal from, the deposit account that would reduce the deposit account to less than the amount levied upon. For the purposes of this paragraph, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(2) Permit the removal of any of the contents of the safe-deposit box except pursuant to the writ.

(e) The financial institution is not liable to any person for any of the following during the period prescribed in subdivision (d):

(1) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account where such nonpayment is pursuant to the requirements of subdivision (d).

(2) Refusal to pay a withdrawal from the deposit account where such refusal is pursuant to the requirements of subdivision (d).

(3) Refusal to permit access to the safe-deposit box by the person in whose name it stands.

(4) Removal of any of the contents of the safe-deposit box pursuant to the levy.

(f) Upon being notified by the levying officer of the expiration of the period prescribed in subdivision (d), the financial institution shall comply with the levy and Sections 700.140 and 700.150 apply.

(g) This section does not apply in any case where the procedure provided in Section 700.165 or 700.167 is used.

SEC. 14.4. Section 700.165 is added to the Code of Civil Procedure, to read:

700.165. (a) This section provides an alternative procedure to the provisions of Section 700.160 in a case where the deposit account levied upon stands only in the names of both the judgment debtor and the spouse of the judgment debtor and not in the name of any other person. This section applies only if the judgment creditor instructs the levying officer to proceed under this section rather than under Section 700.160.

(b) If the judgment creditor instructs the levying officer to

proceed under this section, the judgment creditor shall provide, and the levying officer shall deliver to the financial institution at the time of levy, a notice that the judgment creditor has elected to use the procedure provided in Section 700.165 of the Code of Civil Procedure and that the levy reaches any deposit account that stands in the names of both the judgment debtor and the spouse of the judgment debtor and not in the name of any other person and specifying the name of the spouse of the judgment debtor.

(c) At the time of the levy or promptly thereafter, the levying officer shall serve a copy of the writ of execution and a notice of levy on the spouse of the judgment debtor. Service shall be made personally or by mail.

(d) If the judgment creditor elects to use the procedure provided in this section and the requirements of subdivision (a) are satisfied, the financial institution shall comply with the levy and Section 700.140 applies. The financial institution is not liable to any person for performing its duties as a garnishee under the levy in good faith reliance upon the information delivered to the financial institution pursuant to subdivision (b).

SEC. 14.5. Section 700.167 is added to the Code of Civil Procedure, to read:

700.167. (a) This section provides an alternative procedure to the provisions of Section 700.160 in a case where the deposit account levied upon stands in a fictitious business name and the fictitious business name statement filed pursuant to Chapter 5 (commencing with Section 17900) of Part 3 of Division 7 of the Business and Professions Code lists as the persons doing business under the fictitious business name either the judgment debtor or the judgment debtor and the spouse of the judgment debtor but does not list any other person as doing business under the fictitious business name. This section applies only if the judgment creditor instructs the levying officer to proceed under this section rather than under Section 700.160.

(b) If the judgment creditor instructs the levying officer to proceed under this section, the judgment creditor shall provide, and the levying officer shall deliver to the financial institution at the time of levy, both of the following:

(1) A notice that the judgment creditor has elected to use the procedure provided in Section 700.167 of the Code of Civil Procedure.

(2) A copy of an unexpired fictitious business name statement, certified as provided in Section 17926 of the Business and Professions Code, listing as the person doing business under the fictitious business name either the judgment debtor or the judgment debtor and the spouse of the judgment debtor but not listing any other person as doing business under the fictitious business name.

(c) At the time of the levy or promptly thereafter, the levying officer shall serve a copy of the writ of execution and a notice of levy upon each of the persons listed in the fictitious business name



statement. Service shall be made personally or by mail.

(d) If the judgment creditor elects to use the procedure provided in this section and the requirements of subdivision (b) are satisfied, the financial institution shall comply with the levy and Section 700.140 applies. The financial institution is not liable to any person for performing its duties as a garnishee under the levy in good faith reliance upon the information delivered to the financial institution pursuant to subdivision (b).

SEC. 14.6. Section 701.035 is added to the Code of Civil Procedure, to read:

701.035. A third person who gives a garnishee's memorandum pursuant to this title is not liable to any person for the disclosure in the garnishee's memorandum of any information contained in the garnishee's memorandum.

SEC. 14.7. Section 703.110 of the Code of Civil Procedure is amended to read:

703.110. If the judgment debtor is married:

(a) The exemptions provided by this chapter or by any other statute apply to all property that is subject to enforcement of a money judgment, including the interest of the spouse of the judgment debtor in community property. The fact that one or both spouses are judgment debtors under the judgment or that property sought to be applied to the satisfaction of the judgment is separate or community does not increase or reduce the number or amount of the exemptions. Where the property exempt under a particular exemption is limited to a specified maximum dollar amount, unless the exemption provision specifically provides otherwise, the two spouses together are entitled to one exemption limited to the specified maximum dollar amount, whether one or both of the spouses are judgment debtors under the judgment and whether the property sought to be applied to the satisfaction of the judgment is separate or community.

(b) If an exemption is required by statute to be applied first to property not before the court and then to property before the court, the application of the exemption to property not before the court shall be made to the community property and separate property of both spouses, whether or not such property is subject to enforcement of the money judgment.

(c) If the same exemption is claimed by the judgment debtor and the spouse of the judgment debtor for different property, and the property claimed by one spouse, but not both, is exempt, the exemption shall be applied as the spouses agree. If the spouses are unable to agree, the exemption shall be applied as directed by the court in its discretion.

SEC. 15. Section 703.115 is added to the Code of Civil Procedure, to read:

703.115. In determining an exemption based upon the needs of the judgment debtor and the spouse and dependents of the judgment debtor or an exemption based upon the needs of the

judgment debtor and the family of the judgment debtor, the court shall take into account all property of the judgment debtor and, to the extent the judgment debtor has a spouse and dependents or family, all property of such spouse and dependents or family, including community property and separate property of the spouse, whether or not such property is subject to enforcement of the money judgment.

SEC. 16. Section 704.120 of the Code of Civil Procedure is amended to read:

704.120. (a) Contributions by workers payable to the Unemployment Compensation Disability Fund and by employers payable to the Unemployment Fund are exempt without making a claim.

(b) Before payment, amounts held for payment of the following benefits are exempt without making a claim:

(1) Unemployment compensation benefits payable under Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code.

(2) Unemployment compensation disability benefits payable under Part 2 (commencing with Section 2601) of Division 1 of the Unemployment Insurance Code.

(3) Extended duration benefits payable under Part 3 (commencing with Section 3501) of Division 1 of the Unemployment Insurance Code.

(4) Federal-state extended benefits payable under Part 4 (commencing with Section 4001) of Division 1 of the Unemployment Insurance Code.

(5) Incentive payments payable under Division 2 (commencing with Section 5000) of the Unemployment Insurance Code.

(6) Benefits under a plan or system established by an employer that makes provision for employees generally or for a class or group of employees for the purpose of supplementing unemployment compensation benefits.

(7) Unemployment benefits by a fraternal organization to bona fide members.

(8) Benefits payable by a union due to a labor dispute.

(c) After payment, the benefits described in subdivision (b) are exempt.

(d) Notwithstanding subdivision (b), where benefits exempt under subdivision (b) become payable to a person and are sought to be applied to the satisfaction of a judgment for child support against that person:

(1) Except as provided in paragraph (2), the amount is exempt only to the extent that the court determines under subdivision (c) of Section 703.070.

(2) If the amount sought to be applied to the satisfaction of the judgment is payable periodically, the amount payable is subject to a wage assignment for support as defined in Section 706.011 or to any other applicable enforcement procedure, but the amount to be

withheld pursuant to the assignment or other procedure shall be 25 percent of the amount of each periodic payment, or such lower amount specified in writing by the judgment creditor or court order, rounded down to the nearest whole dollar. The paying entity may deduct from each payment made pursuant to a wage assignment under this paragraph an amount reflecting the actual cost of administration caused by the wage assignment up to two dollars (\$2) for each payment.

(e) Notwithstanding subdivisions (b) and (d), a judgment for child support against a person who is entitled to unemployment compensation may be enforced as provided in Section 11350.5 of the Welfare and Institutions Code.

(f) Nothing in this section precludes the Department of Social Services from deducting and withholding child support obligations as provided in Section 1255.7 of the Unemployment Insurance Code.

SEC. 17. Section 704.710 of the Code of Civil Procedure is amended to read:

704.710. As used in this article:

(a) "Dwelling" means a place where a person resides and may include but is not limited to the following:

(1) A house together with the outbuildings and the land upon which they are situated.

(2) A mobilehome together with the outbuildings and the land upon which they are situated.

(3) A boat or other waterborne vessel.

(4) A condominium, as defined in Section 783 of the Civil Code.

(5) A planned development, as defined in Section 11003 of the Business and Professions Code.

(6) A stock cooperative, as defined in Section 11003.2 of the Business and Professions Code.

(7) A community apartment project, as defined in Section 11004 of the Business and Professions Code.

(b) "Family unit" means any of the following:

(1) The judgment debtor and the judgment debtor's spouse if the spouses reside together in the homestead.

(2) The judgment debtor and at least one of the following persons who the judgment debtor cares for or maintains in the homestead:

(A) The minor child or minor grandchild of the judgment debtor or the judgment debtor's spouse or the minor child or grandchild of a deceased spouse or former spouse.

(B) The minor brother or sister of the judgment debtor or judgment debtor's spouse or the minor child of a deceased brother or sister of either spouse.

(C) The father, mother, grandfather, or grandmother of the judgment debtor or the judgment debtor's spouse or the father, mother, grandfather, or grandmother of a deceased spouse.

(D) An unmarried relative described in this paragraph who has attained the age of majority and is unable to take care of or support himself or herself.

(3) The judgment debtor's spouse and at least one of the persons listed in paragraph (2) who the judgment debtor's spouse cares for or maintains in the homestead.

(c) "Homestead" means the principal dwelling (1) in which the judgment debtor or the judgment debtor's spouse resided on the date the judgment creditor's lien attached to the dwelling, and (2) in which the judgment debtor or the judgment debtor's spouse resided continuously thereafter until the date of the court determination that the dwelling is a homestead. Where exempt proceeds from the sale or damage or destruction of a homestead are used toward the acquisition of a dwelling within the six-month period provided by Section 704.720, "homestead" also means the dwelling so acquired if it is the principal dwelling in which the judgment debtor or the judgment debtor's spouse resided continuously from the date of acquisition until the date of the court determination that the dwelling is a homestead, whether or not an abstract or certified copy of a judgment was recorded to create a judgment lien before the dwelling was acquired.

(d) "Spouse" does not include a married person following entry of a judgment decreeing legal separation of the parties, or an interlocutory judgment of dissolution of the marriage, unless such married persons reside together in the same dwelling.

SEC. 18. Section 704.930 of the Code of Civil Procedure is amended to read:

704.930. (a) A homestead declaration recorded pursuant to this article shall contain all of the following:

(1) The name of the declared homestead owner. A husband and wife both may be named as declared homestead owners in the same homestead declaration if each owns an interest in the dwelling selected as the declared homestead.

(2) A description of the declared homestead.

(3) A statement that the declared homestead is the principal dwelling of the declared homestead owner or such person's spouse, and that the declared homestead owner or such person's spouse resides in the declared homestead on the date the homestead declaration is recorded.

(b) The homestead declaration shall be executed and acknowledged in the manner of an acknowledgment of a conveyance of real property by at least one of the following persons:

(1) The declared homestead owner.

(2) The spouse of the declared homestead owner.

(3) The guardian or conservator of the person or estate of either of the persons listed in paragraph (1) or (2). The guardian or conservator may execute, acknowledge, and record a homestead declaration without the need to obtain court authorization.

(4) A person acting under a power of attorney or otherwise authorized to act on behalf of a person listed in paragraph (1) or (2).

(c) The homestead declaration shall include a statement that the facts stated in the homestead declaration are known to be true as of

the personal knowledge of the person executing and acknowledging the homestead declaration. If the homestead declaration is executed and acknowledged by a person listed in paragraph (3) or (4) of subdivision (b), it shall also contain a statement that the person has authority to so act on behalf of the declared homestead owner or the spouse of the declared homestead owner and the source of the person's authority.

SEC. 19. Section 708.140 of the Code of Civil Procedure is amended to read:

708.140. (a) The examination proceedings authorized by this article may be conducted by a referee appointed by the court. The referee may issue, modify, or vacate an order authorized by Section 708.205, may make a protective order authorized by Section 708.200, and may issue a warrant authorized by Section 708.170, and has the same power as the court to grant adjournments, to preserve order, and to subpoena witnesses to attend the examination, but only the court that ordered the reference has power to do the following:

- (1) Punish for contempt for disobeying an order of the referee.
- (2) Make an award of attorney's fees pursuant to Section 708.170.
- (3) Determine a contested claim of exemption or determine a third-party claim under Section 708.180.

(b) Only a member of the State Bar of California is eligible for appointment as a referee pursuant to this article. A person who was duly appointed as a referee prior to July 1, 1983, pursuant to the law in operation at the time of appointment, and who is available to perform the duties of a referee on July 1, 1983, shall be exempt from the requirements of this subdivision.

(c) Nothing in subdivision (a) limits the power of a court to appoint a temporary judge pursuant to Section 21 of Article VI of the California Constitution.

SEC. 20. Section 715.040 of the Code of Civil Procedure is amended to read:

715.040. (a) A registered process server may execute the writ of possession of real property as provided in subdivisions (a) and (b) of Section 715.020 if a proper writ of possession is delivered to the sheriff, marshal, or constable and that officer does not execute the writ as provided in subdivisions (a) and (b) of Section 715.020 within three days (Saturday, Sunday, and legal holidays excluded) from the day the writ is delivered to that officer. If the writ is not executed within such time, the levying officer shall upon request give the writ to the judgment creditor or to a registered process server designated by the judgment creditor.

(b) Within five days after executing the writ under this section, all of the following shall be filed with the levying officer:

- (1) The writ of possession of real property.
- (2) An affidavit of the registered process server stating the manner in which the writ was executed.
- (3) Proof of service of the writ.
- (4) Instructions in writing, as required by the provisions of Section

687.010.

(c) If the writ is executed by a registered process server, the levying officer shall perform all other duties under the writ and shall return the writ to the court.

(d) The fee for services of a registered process server under this section may, in the court's discretion, be allowed as a recoverable cost upon a motion pursuant to Section 685.080. If allowed, the amount of the fee to be allowed is governed by Section 1032.8.

SEC. 21. Section 724.060 of the Code of Civil Procedure is amended to read:

724.060. (a) An acknowledgment of satisfaction of judgment shall contain the following information:

(1) The title of the court.

(2) The cause and number of the action.

(3) The names and addresses of the judgment creditor, the judgment debtor, and the assignee of record if any. If an abstract of the judgment has been recorded in any county, the judgment debtor's name shall appear on the acknowledgment of satisfaction of judgment as it appears on the abstract of judgment.

(4) The date of entry of judgment and of any renewals of the judgment and where entered in the records of the court.

(5) A statement either that the judgment is satisfied in full or that the judgment creditor has accepted payment or performance other than that specified in the judgment in full satisfaction of the judgment.

(6) A statement whether an abstract of the judgment has been recorded in any county and, if so, a statement of each county where the abstract has been recorded and the book and page of the county records where the abstract has been recorded, and a notice that the acknowledgment of satisfaction of judgment (or a court clerk's certificate of satisfaction of judgment) will have to be recorded with the county recorder of each county where the abstract of judgment has been recorded in order to release the judgment lien on real property in that county.

(7) A statement whether a notice of judgment lien has been filed in the office of the Secretary of State and, if such a notice has been filed, a statement of the file number of such notice, and a notice that the acknowledgment of satisfaction of judgment (or a court clerk's certificate of satisfaction of judgment) will have to be filed in that office in order to terminate the judgment lien on personal property.

(b) The acknowledgment of satisfaction of judgment shall be made in the manner of an acknowledgment of a conveyance of real property.

(c) The acknowledgment of satisfaction of judgment shall be executed and acknowledged by one of the following:

(1) The judgment creditor.

(2) The assignee of record.

(3) The attorney for the judgment creditor or assignee of record unless a revocation of the attorney's authority is filed.

**SEC. 22.** Section 726 of the Code of Civil Procedure is amended to read:

726. (a) There can be but one form of action for the recovery of any debt or the enforcement of any right secured by mortgage upon real property, which action must be in accordance with the provisions of this chapter. In the action the court may, by its judgment, direct the sale of the encumbered property (or so much of the property as may be necessary), and the application of the proceeds of the sale to the payment of the costs of court, the expenses of levy and sale, and the amount due plaintiff, including, where the mortgage provides for the payment of attorney's fees, such sum for attorney's fees as the court shall find reasonable, not exceeding the amount named in the mortgage.

(b) The decree for the foreclosure of a mortgage or deed of trust secured by real property or any interest therein shall declare the amount of the indebtedness or right so secured and, unless judgment for any deficiency there may be between the sale price and the amount due with costs is waived by the judgment creditor or a deficiency judgment is prohibited by Section 580b, shall determine the personal liability of any defendant for the payment of the debt secured by the mortgage or deed of trust and shall name the defendants against whom a deficiency judgment may be ordered following the proceedings prescribed in this section. In the event of waiver, or if the prohibition of Section 580b is applicable, the decree shall so declare and there shall be no judgment for a deficiency. In the event that a deficiency is not waived or prohibited and it is decreed that any defendant is personally liable for the debt, then upon application of the plaintiff filed at any time within three months of the date of the foreclosure sale and after a hearing thereon at which the court shall take evidence and at which hearing either party may present evidence as to the fair value of the property or the interest therein sold as of the date of sale, the court shall render a money judgment against the defendant or defendants for the amount by which the amount of the indebtedness with interest and costs of levy and sale and of action exceeds the fair value of the property or interest therein sold as of the date of sale. In no event shall the amount of the judgment, exclusive of interest from the date of sale and of costs exceed the difference between the amount for which the property was sold and the entire amount of the indebtedness secured by the mortgage or deed of trust. Notice of the hearing shall be served upon all defendants who have appeared in the action and against whom a deficiency judgment is sought, or upon their attorneys of record, at least 15 days before the date set for the hearing. Upon application of any party made at least 10 days before the date set for the hearing the court shall, and upon its own motion the court at any time may, appoint one of the probate referees provided for by law to appraise the property or the interest therein sold as of the time of sale. The probate referee shall file the appraisal with the clerk and the appraisal is admissible in evidence.

The probate referee shall take and subscribe an oath to be attached to the appraisal that the referee has truly, honestly and impartially appraised the property to the best of the referee's knowledge and ability. Any probate referee so appointed may be called and examined as a witness by any party or by the court itself. The court must fix the compensation, in an amount as determined by the court to be reasonable, but the fees shall not exceed similar fees for similar services in the community where the services are rendered, which may be taxed and allowed in like manner as other costs.

(c) No person holding a conveyance from or under the mortgagor of the property mortgaged, or having a lien thereon, which conveyance or lien does not appear of record in the proper office at the time of the commencement of the action need be made a party to the action, and the judgment therein rendered, and the proceedings therein had, are as conclusive against the person holding the unrecorded conveyance or lien as if the person had been a party to the action. Notwithstanding Section 701.630, the sale of the encumbered property does not affect the interest of a person who holds a conveyance from or under the mortgagor of the property mortgaged, or has a lien thereon, if the conveyance or lien appears of record in the proper office at the time of the commencement of the action and the person holding the recorded conveyance or lien is not made a party to the action.

(d) If the land mortgaged consists of a single parcel, or two or more contiguous parcels, situated in two or more counties, the court may, in its judgment, direct the whole thereof to be sold in one of the counties, and upon such proceedings, and with like effect, as if the whole of the property were situated in that county.

(e) If a deficiency judgment is waived or prohibited, the property shall be sold as provided in Section 716.020. If a deficiency judgment is not waived or prohibited, the property shall be sold subject to the right of redemption as provided in Sections 729.010 to 729.090, inclusive.

SEC. 22.5. Section 917.65 is added to the Code of Civil Procedure, immediately following Section 917.6, to read:

917.65. The perfecting of an appeal shall not stay enforcement of a right to attach order unless an undertaking is given. The undertaking shall be in the amount specified in the right to attach order as the amount to be secured by the attachment. The undertaking shall be on condition that if the right to attach order is not reversed and the plaintiff recovers judgment in the action in which the right to attach order was issued, the appellant shall pay the amount of the judgment, together with any interest which may have accrued. The liability on the undertaking may be enforced if the judgment is not paid within 30 days after it becomes final. If a surety on the undertaking pays the judgment, either with or without action, the surety is substituted to the rights of the creditor and is entitled to control, enforce, and satisfy the judgment, in all respects as if the surety had recovered the judgment.



SEC. 23. Section 1801 of the Code of Civil Procedure is amended to read:

1801. In any general assignment for the benefit of creditors (as defined in Section 493.010), the assignor, if an individual, may choose to retain as exempt property either the property which is otherwise exempt under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 or, in the alternative, the following property:

(a) The assignor's aggregate interest, not to exceed seven thousand five hundred dollars (\$7,500) in value, in real property or personal property that the assignor or a dependent of the assignor uses as a residence, in a cooperative that owns property that the assignor or a dependent of the assignor uses as a residence, or in a burial plot for the assignor or a dependent of the assignor.

(b) The assignor's interest, not to exceed one thousand two hundred dollars (\$1,200) in value, in one motor vehicle.

(c) The assignor's interest, not to exceed two hundred dollars (\$200) in value in any particular item, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the assignor or a dependent of the assignor.

(d) The assignor's aggregate interest, not to exceed five hundred dollars (\$500) in value, in jewelry held primarily for the personal, family, or household use of the assignor or a dependent of the assignor.

(e) The assignor's aggregate interest, not to exceed in value four hundred dollars (\$400) plus any unused amount of the exemption provided under subdivision (a), in any property.

(f) The assignor's aggregate interest, not to exceed seven hundred fifty dollars (\$750) in value, in any implements, professional books, or tools, of the trade of the assignor or the trade of a dependent of the assignor.

(g) Any unmatured life insurance contract owned by the assignor, other than a credit life insurance contract.

(h) The assignor's aggregate interest, not to exceed in value four thousand dollars (\$4,000) in any accrued dividend or interest under, or loan value of, any unmatured life insurance contract owned by the assignor under which the insured is the assignor or an individual of whom the assignor is a dependent.

(i) Professionally prescribed health aids for the assignor or a dependent of the assignor.

(j) The assignor's right to receive any of the following:

(1) A social security benefit, unemployment compensation, or a local public assistance benefit except that this paragraph does not preclude the application of Section 1255.7 of the Unemployment Insurance Code.

(2) A veterans' benefit.

(3) A disability, illness, or unemployment benefit except that this

paragraph does not preclude the application of Section 1255.7 of the Unemployment Insurance Code.

(4) Alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the assignor and any dependent of the assignor.

(5) A payment under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the assignor and any dependent of the assignor, unless:

(i) The plan or contract was established by or under the auspices of an employer of which the assignor was a partner, officer, director or controlling person at the time the assignor's rights under the plan or contract arose;

(ii) The payment is on account of age or length of service; and

(iii) Such plan or contract does not qualify under Section 401 (a), 403 (a), 403 (b), 408, or 409 of the Internal Revenue Code of 1954 (26 U.S.C. 401 (a), 403 (a), 403 (b), 408, or 409).

(k) The assignor's right to receive, or property that is traceable to any of the following:

(1) An award under a crime victim's reparation law.

(2) A payment on account of the wrongful death of an individual of whom the assignor was a dependent, to the extent reasonably necessary for the support of the assignor and any dependent of the assignor.

(3) A payment under a life insurance contract that insured the life of an individual of whom the assignor was a dependent on the date of such individual's death, to the extent reasonably necessary for the support of the assignor and any dependent of the assignor.

(4) A payment, not to exceed seven thousand five hundred dollars (\$7,500), on account of personal bodily injury, as compensation for pain and suffering or actual pecuniary loss (other than loss of future earnings), of the assignor or an individual of whom the assignor is a dependent.

(5) A payment in compensation of loss of future earnings of the assignor or an individual of whom the assignor is or was a dependent, to the extent reasonably necessary for the support of the assignor and any dependent of the assignor.

In this section, "dependent" includes spouse, whether or not actually dependent, "assignor" means each spouse, if the assignment is made by a married couple, and "value" means fair market value as of the date of the making of the assignment.

SEC. 24. Section 864 of the Financial Code is amended to read:

864. (a) For the purposes of this section:

(1) "Customer" means one or more natural persons.

(2) "Debt" means an interest-bearing obligation or an obligation which by its terms is payable in installments, which has not been reduced to judgment, arising from an extension of credit to a natural person primarily for personal, family, or household purposes, and

does not mean a charge for bank services or a debit for uncollected funds or for an overdraft of an account imposed by a bank on a deposit account.

(b) A bank is limited in exercising any setoff for a debt claimed to be owed to the bank by a customer in that a setoff shall not result in an aggregate balance of less than one thousand dollars (\$1,000) as shown on the records of the bank for all demand deposit accounts maintained by a customer with the bank or any branch thereof.

(c) Not later than the day following the exercise of any setoff with respect to a deposit account for any debt claimed to be owed to the bank by a customer, the bank shall deliver to each customer personally or send by first-class mail postage prepaid to the address of each customer as shown on the records of the bank a written notice in at least 10-point type containing the following:

(1) A statement that the bank has set off a debt or a portion thereof against the customer's deposit account, identifying the account, and giving the respective balances before and after the setoff.

(2) A statement identifying the debt set off against the account and giving the respective balances due before and after the setoff.

(3) A statement that if the customer claims that the debt has been paid or is not now owing, or that the funds in the deposit account consist of moneys expressly exempt pursuant to Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, and listed in the notice, the customer may execute and return the notice to the bank by mail at the address shown or personally to the bank branch where the customer's account is maintained not later than 20 days after the date of mailing or personal delivery.

(4) A statement that if the notice is executed and returned, the bank may file an action in court to collect the debt; that if a lawsuit is filed, the customer will be notified and have an opportunity to appear and defend; and that if the bank is successful, the customer will be liable for court costs, and attorney's fees, if the debt so provides.

(5) A response form in at least 10-point type containing substantially the following:

"The debt described in the Notice of Setoff received from the bank is \_\_\_\_\_ is not \_\_\_\_\_ my debt or the debt of another person in whose name the account is maintained.

"I claim that the debt:

\_\_\_\_\_ has been paid.

\_\_\_\_\_ is not now owing.

\_\_\_\_\_ is not subject to setoff because the money in the account is:

\_\_\_\_\_ Paid earnings (CCP 704.070)

\_\_\_\_\_ Proceeds from execution sale of or insurance for loss of a motor vehicle (CCP 704.010)

\_\_\_\_\_ Proceeds from execution sale of household

- \_\_\_\_\_ furnishings or other personal effects (CCP 704.020)
- \_\_\_\_\_ Relocation benefits (CCP 704.180)
- \_\_\_\_\_ Life insurance proceeds (CCP 704.100)
- \_\_\_\_\_ Disability and health insurance benefits (CCP 704.130)
- \_\_\_\_\_ Workers' compensation benefits (CCP 704.160)
- \_\_\_\_\_ Unemployment or strike benefits (CCP 704.120)
- \_\_\_\_\_ Retirement benefits including, but not limited to, social security benefits (CCP 704.080, 704.110, 704.115)
- \_\_\_\_\_ Public assistance benefits including welfare payments and supplemental security income (SSI) or charitable aid (CCP 704.170)
- \_\_\_\_\_ Proceeds from sale of or insurance for damage or destruction of a dwelling (CCP 704.720, 704.960)
- \_\_\_\_\_ Proceeds from execution sale of or insurance for loss of tools of a trade (CCP 704.060)
- \_\_\_\_\_ Award of damages for personal injury (CCP 704.140) or wrongful death (CCP 704.150)
- \_\_\_\_\_ Financial aid paid by an institution of higher education to a student for expenses while attending school (CCP 704.190)

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_ "

(Customer)

(d) If the response form described in subdivision (c) executed by the customer is received by the bank not later than 20 days after the date of mailing or personal delivery of the written notice, the amount of the setoff for any debt claimed to be owed to the bank by a customer, and any bank service charges resulting from the setoff, shall be reversed and such amount shall be credited to the deposit account not later than the end of the business day following receipt of such executed response form.

(e) The limitations provided in this section do not apply to a deposit account, other than a demand deposit account, in which the bank has a security interest expressed by a written contract as collateral for the debt owing to the bank by the customer.

(f) The limitations provided in this section do not apply when a customer previously has authorized a bank in writing to periodically debit a deposit account as the agreed method of payment of the debt.

(g) The limitations provided in this section shall apply only to the exercise by a bank a setoff with respect to debts claimed to be owing to it by customers on or after July 1, 1976.

(h) Nothing in this section shall prejudice a person's right to assert exemptions under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, or to assert a claim or defense as to the validity of the debt, in a judicial

proceeding.

SEC. 25. Section 7609.5 of the Financial Code is amended to read:

7609.5. (a) For the purposes of this section:

(1) "Customer" means one or more natural persons.

(2) "Debt" means an interest-bearing obligation or an obligation which by its terms is payable in installments, which has not been reduced to judgment, arising from an extension of credit to a natural person primarily for personal, family, or household purposes, and does not mean a charge for savings and loan services or a debit for uncollected funds or for an overdraft account imposed by a savings and loan association on a deposit account.

(3) "Deposit account" includes investment certificate, share account and withdrawable share.

(b) A savings and loan association is limited in exercising any setoff for a debt claimed to be owed to the savings and loan association by a customer in that a setoff shall not result in an aggregate balance of less than one thousand dollars (\$1,000) as shown on the records of the savings and loan association for all demand deposit accounts maintained by a customer with the savings and loan association or any branch thereof.

(c) Not later than the day following the exercise of any setoff with respect to a deposit account for any debt claimed to be owed to the savings and loan association by a customer, the savings and loan association shall deliver to each customer personally or send by first-class mail postage prepaid to the address of each customer as shown on the records of the savings and loan association a written notice in at least 10-point type containing the following:

(1) A statement that the savings and loan association has set off a debt or a portion thereof against the customer's deposit account, identifying the account, and giving the respective balances before and after the setoff.

(2) A statement identifying the debt set off against the account and giving the respective balances due before and after the setoff.

(3) A statement that if the customer claims that the debt has been paid or is not now owing, or that the funds in the deposit account consist of moneys expressly exempt pursuant to Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, and listed in the notice, the customer may execute and return the notice to the savings and loan association by mail at the address shown or personally to the savings and loan branch where the customer's account is maintained not later than 20 days after the date of mailing or personal delivery.

(4) A statement that if the notice is executed and returned, the savings and loan association may file an action in court to collect the debt; that if a lawsuit is filed, the customer will be notified and have an opportunity to appear and defend; and that if the savings and loan association is successful, the customer will be liable for court costs, and attorney's fees, if the debt so provides.

(5) A response form in at least 10-point type containing

substantially the following:

"The debt described in the Notice of Setoff received from the savings and loan association is \_\_\_\_\_ is not \_\_\_\_\_ my debt or the debt of another person in whose name the account is maintained.

"I claim that the debt:

\_\_\_\_\_ has been paid.

\_\_\_\_\_ is not now owing.

\_\_\_\_\_ is not subject to setoff because the money in the account is:

\_\_\_\_\_ Paid earnings (CCP 704.070)

\_\_\_\_\_ Proceeds from execution sale of or insurance for loss of a motor vehicle (CCP 704.010)

\_\_\_\_\_ Proceeds from execution sale of household furnishings or other personal effects (CCP 704.020)

\_\_\_\_\_ Relocation benefits (CCP 704.180)

\_\_\_\_\_ Life insurance proceeds (CCP 704.100)

\_\_\_\_\_ Disability and health insurance benefits (CCP 704.130)

\_\_\_\_\_ Workers' compensation benefits (CCP 704.160)

\_\_\_\_\_ Unemployment or strike benefits (CCP 704.120)

\_\_\_\_\_ Retirement benefits including, but not limited to, social security benefits (CCP 704.080, 704.110, 704.115)

\_\_\_\_\_ Public assistance benefits including welfare payments and supplemental security income (SSI) or charitable aid (CCP 704.170)

\_\_\_\_\_ Proceeds from sale of or insurance for damage or destruction of a dwelling (CCP 704.720, 704.960)

\_\_\_\_\_ Proceeds from execution sale of or insurance for loss of tools of a trade (CCP 704.060)

\_\_\_\_\_ Award of damages for personal injury (CCP 704.140) or wrongful death (CCP 704.150)

\_\_\_\_\_ Financial aid paid by an institution of higher education to a student for expenses while attending school (CCP 704.190)

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_ "

(Customer)

(d) If the response form described in subdivision (c) executed by the customer is received by the savings and loan association not later than 20 days after the date of mailing or personal delivery of the written notice, the amount of the setoff for any debt claimed to be owed to the savings and loan association by a customer, and any savings and loan association service charges resulting from the setoff, shall be reversed and such amount shall be credited to the deposit account not later than the end of the business day following receipt of such executed response form.

(e) The limitations provided in this section do not apply to a deposit account in which the savings and loan association has a security interest expressed by a written contract as collateral for the debt owing to the savings and loan association by the customer.

(f) The limitations provided in this section do not apply when a customer previously has authorized a savings and loan association in writing to periodically debit a deposit account as the agreed method of payment of the debt.

(g) The limitations provided in this section shall apply only to the exercise by a savings and loan association of a setoff with respect to debts claimed to be owing to it by customers on or after July 1, 1976.

(h) Nothing in this section shall prejudice a person's right to assert exemptions under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, or to assert a claim or defense as to the validity of the debt, in a judicial proceeding.

SEC. 26. Section 7170 of the Government Code is amended to read:

7170. (a) Except as provided in subdivisions (b) and (c), a state tax lien attaches to all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to the taxpayer and located in this state. A state tax lien attaches to a dwelling notwithstanding the prior recording of a homestead declaration (as defined in Section 704.910 of the Code of Civil Procedure).

(b) A state tax lien is not valid as to real property against the right, title, or interest of any of the following persons where the person's right, title, or interest was acquired or perfected prior to recording of the notice of state tax lien in the office of the county recorder of the county in which the real property is located pursuant to Section 7171:

(1) A successor in interest of the taxpayer without knowledge of the lien.

(2) A holder of a security interest.

(3) A mechanic's lienor.

(4) A judgment lien creditor.

(c) A state tax lien is not valid as to personal property against:

(1) The holder of a security interest in the property whose interest is perfected pursuant to Section 9303 of the Commercial Code prior to the time the notice of the state tax lien is filed with the Secretary of State pursuant to Section 7171.

(2) Any person (other than the taxpayer) who acquires an interest in the property under the law of this state without knowledge of the lien or who perfects an interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State pursuant to Section 7171.

(3) A buyer in ordinary course of business who, under Section 9307 of the Commercial Code, would take free of a security interest created by the seller.

(4) Any person (other than the taxpayer) who, notwithstanding the prior filing of the notice of the state tax lien:

(A) Is a holder in due course of a negotiable instrument.

(B) Is a holder to whom a negotiable document of title has been duly negotiated.

(C) Is a bona fide purchaser of a security.

(D) Is a purchaser of chattel paper or an instrument who gives new value and takes possession of the chattel paper or instrument in the ordinary course of business.

(E) Is a holder of a purchase money security interest.

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Commercial Code.

(G) Acquires a security interest in a deposit account or in the beneficial interest in a trust or estate.

(H) Acquires any right or interest in letters of credit, advices of credit, or money.

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums.

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of the security interest.

(5) A judgment lien creditor whose lien was created by the filing of a notice of judgment lien on personal property with the Secretary of State prior to the time the notice of state tax lien is filed with the Secretary of State pursuant to Section 7171.

SEC. 27. Section 26820.4 of the Government Code is amended to read:

26820.4. The total fee for filing of the first paper in a civil action or proceeding in the superior court, except an adoption proceeding, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any county where a fee is collected for the court reporter fund, the total fee shall not exceed eighty-six dollars (\$86).

(2) In any county where a fee is not collected for the court reporter fund, the total filing fee shall not exceed sixty-one dollars (\$61).

This section applies to the initial complaint, petition, or application, and the papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

SEC. 27.1. Section 26820.4 of the Government Code is amended to read:

26820.4. The total fee for filing of the first paper in a civil action or proceeding in the superior court, except an adoption proceeding, shall be the sum fixed by the board of supervisors pursuant to Section



68090, which shall not exceed the following maximum amounts:

(1) In any county where a fee is collected for the court reporter fund, the total fee shall not exceed eighty-six dollars (\$86).

(2) In any county where a fee is not collected for the court reporter fund, the total filing fee shall not exceed sixty-one dollars (\$61).

This section applies to the initial complaint, petition, or application, and the papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The fee shall be waived in any action for damages against a defendant, based upon the defendant's commission of a felony offense, upon presentation to the clerk of the court of a certified copy of the abstract of judgment of conviction of the defendant of the felony giving rise to the claim for damages.

SEC. 28. Section 72055 of the Government Code is amended to read:

72055. The total fee for filing of the first paper in a civil action or proceeding in the municipal or justice court, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any court where a fee is collected for the court reporter fund, the total fee shall not exceed forty dollars (\$40).

(2) In any court where a fee is not collected for the court reporter fund, the total fee shall not exceed twenty-nine dollars (\$29).

This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The term "total fee" as used in this section and Section 72056 includes the clerk's fee, any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any amount allocated to the court reporter fund, and the law library fee pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code.

SEC. 28.1. Section 72055 of the Government Code is amended to read:

72055. The total fee for filing of the first paper in a civil action or proceeding in the municipal or justice court, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any court where a fee is collected for the court reporter fund, the total fee shall not exceed forty dollars (\$40).

(2) In any court where a fee is not collected for the court reporter fund, the total fee shall not exceed twenty-nine dollars (\$29).

This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the

transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The term "total fee" as used in this section and Section 72056 includes the clerk's fee, any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any amount allocated to the court reporter fund, and the law library fee pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code.

The fee authorized for the automation and conversion of court records pursuant to Section 68090.7 may be included in the total fee, or may be in addition thereto, as determined by the board of supervisors.

SEC. 28.2. Section 72055 of the Government Code is amended to read:

72055. The total fee for filing of the first paper in a civil action or proceeding in the municipal or justice court, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any court where a fee is collected for the court reporter fund, the total fee shall not exceed forty dollars (\$40).

(2) In any court where a fee is not collected for the court reporter fund, the total fee shall not exceed twenty-nine dollars (\$29).

This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The term "total fee" as used in this section and Section 72056 includes the clerk's fee, any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any amount allocated to the court reporter fund, and any law library fee imposed pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code which was in effect on December 31, 1983. Any law library fee increase adopted on or after January 1, 1984, may be included in the total fee, or may be in addition thereto, as determined by the board of supervisors pursuant to Section 68090.

This section shall remain in effect only until January 1, 1985, and as of that date is repealed.

SEC. 28.3. Section 72055 is added to the Government Code, to read:

72055. The total fee for filing of the first paper in a civil action or proceeding in the municipal or justice court, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any court where a fee is collected for the court reporter fund, the total fee shall not exceed forty dollars (\$40).

(2) In any court where a fee is not collected for the court reporter

fund, the total fee shall not exceed twenty-nine dollars (\$29).

This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The term "total fee" as used in this section and Section 72056 includes the clerk's fee, any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any amount allocated to the court reporter fund, and the law library fee pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code.

This section shall become operative on January 1, 1985.

SEC. 28.4. Section 72055 of the Government Code is amended to read:

72055. The total fee for filing of the first paper in a civil action or proceeding in the municipal or justice court, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any court where a fee is collected for the court reporter fund, the total fee shall not exceed forty dollars (\$40).

(2) In any court where a fee is not collected for the court reporter fund, the total fee shall not exceed twenty-nine dollars (\$29).

This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The term "total fee" as used in this section and Section 72056 includes the clerk's fee, any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any amount allocated to the court reporter fund, and any law library fee imposed pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code which was in effect on December 31, 1983. Any law library fee increase adopted on or after January 1, 1984, may be included in the total fee, or may be in addition thereto, as determined by the board of supervisors pursuant to Section 68090. The fee authorized for the automation and conversion of court records pursuant to Section 68090.7 may be included in the total fee, or may be in addition thereto, as determined by the board of supervisors.

This section shall remain in effect only until January 1, 1985, and as of that date is repealed.

SEC. 28.5. Section 72055 is added to the Government Code, to read:

72055. The total fee for filing of the first paper in a civil action or proceeding in the municipal or justice court, shall be the sum fixed by the board of supervisors pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any court where a fee is collected for the court reporter fund, the total fee shall not exceed forty dollars (\$40).

(2) In any court where a fee is not collected for the court reporter fund, the total fee shall not exceed twenty-nine dollars (\$29).

This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

The term "total fee" as used in this section and Section 72056 includes the clerk's fee, any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any amount allocated to the court reporter fund, and the law library fee pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code. The fee authorized for the automation and conversion of court records pursuant to Section 68090.7 may be included in the total fee, or may be in addition thereto, as determined by the board of supervisors.

This section shall become operative on January 1, 1985.

SEC. 29. Section 2407 of the Probate Code is amended to read:

2407. This chapter applies to property owned by husband and wife as community property only to the extent authorized by Part 6 (commencing with Section 3000).

SEC. 30. Section 1342 of the Unemployment Insurance Code is amended to read:

1342. Any waiver by any person of any benefit or right under this code is invalid, except as provided by Section 1255.7. Benefits under this code, incentive payments provided by Division 2 (commencing with Section 5000), and payments to an individual under a plan or system established by an employer which makes provisions for his employees generally, or for a class or group of his employees, for the purpose of supplementing unemployment compensation benefits, are not subject to assignment, release, or commutation, except as provided by Section 1255.7. Any agreement by any individual in the employ of any person or concern to pay all or any portion of the contributions required of his employer under this division is void.

SEC. 30.1. It is the intent of the Legislature, if this bill and Assembly Bill 493 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 26820.4 of the Government Code, and this bill is chaptered after Assembly Bill 493, that Section 26820.4 of the Government Code, as amended by Section 27 of this act, shall remain operative until the effective date of Assembly Bill 493, and that on the effective date of Assembly Bill 493 Section 26820.4 of the Government Code, as amended by Section 27 of this act, be further amended in the form set forth in Section 27.1 of this act to incorporate the changes in Section 26820.4 proposed by Assembly Bill 493. Therefore, if this bill and Assembly Bill 493 are both chaptered and become effective on or before January 1, 1984, and Assembly Bill 493 is chaptered before this bill and amends

Section 26820.4, Section 27.1 of this act shall become operative on the effective date of Assembly Bill 493.

SEC. 30.2. It is the intent of the Legislature that if this bill and Assembly Bill 243 or Senate Bill 150, or both, are chaptered and become effective on or before January 1, 1984, and amend Section 72055 of the Government Code, and this bill is chaptered last, that amendments proposed by each of the bills which are chaptered be given effect as follows:

(1) If this bill and Assembly Bill 243 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 72055 of the Government Code, but Senate Bill 150 is not chaptered or as chaptered does not amend that section, and this bill is chaptered after Assembly Bill 243, the amendments proposed by both bills shall be given effect. Therefore, if this bill and Assembly Bill 243 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 72055, this bill is chaptered after Assembly Bill 243, and Senate Bill 150 is not chaptered or as chaptered does not amend that section, Section 28 shall be operative on the operative date of this act and shall remain operative until the effective date of Assembly Bill 243 and on the effective date of Assembly Bill 243, Section 72055, as amended by Section 28 of this act, shall be further amended in the form set forth in Section 28.1 of this act and Sections 28.2, 28.3, 28.4, and 28.5 of this act shall not become operative.

(2) If this bill and Senate Bill 150 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 72055 of the Government Code, but Assembly Bill 243 is not chaptered or as chaptered does not amend that section, and this bill is chaptered after Senate Bill 150, the amendments proposed by both bills shall be given effect. Therefore, if this bill and Senate Bill 150 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 72055, this bill is chaptered after Senate Bill 150, and Assembly Bill 243 is not chaptered or as chaptered does not amend that section, Section 28 shall be operative on the operative date of this act and shall remain operative until the effective date of Senate Bill 150 and on the effective date of Senate Bill 150, Section 72055, as amended by Section 28 of this act, shall be further amended in the form set forth in Section 28.2 and Section 28.3 shall become operative on January 1, 1985, and Sections 28.1, 28.4, and 28.5 of this act shall not become operative.

(3) If this bill and Assembly Bill 243 and Senate Bill 150 are all chaptered and become effective on or before January 1, 1984, all three bills amend Section 72055 of the Government Code, and this bill is chaptered after Assembly Bill 243 and Senate Bill 150, the amendments proposed by all three bills shall be given effect. Therefore, if this bill and Assembly Bill 243 and Senate Bill 150 are all chaptered and become effective on or before January 1, 1984, all three bills amend Section 72055 of the Government Code, and this bill is chaptered after Assembly Bill 243 and Senate Bill 150, Section

28 of this act shall be operative on the operative date of this act and shall remain operative until January 1, 1984, the effective date of Assembly Bill 243 and Senate Bill 150, and on that date Section 72055 shall be further amended in the form set forth in Section 28.4, and Section 28.5 shall become operative on January 1, 1985, and Sections 28.1, 28.2, and 28.3 shall not become operative.

SEC. 31. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate and coordinate the implementation of the Enforcement of Judgments Law, which will become operative July 1, 1983, it is necessary that this act go into immediate effect.

SEC. 32. This act shall become operative on July 1, 1983.

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## CHAPTER 156

An act to amend Sections 17311, 17313, 17314, 17320, 17321, 17322, 17334, 17336, and 17339 of, and to add Section 17320.1 to, the Financial Code, relating to escrow agents, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17311 of the Financial Code is amended to read:

17311. Within 180 days after the effective date of this chapter, persons licensed pursuant to the provisions of this division shall establish a corporation under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code) to operate under the name Escrow Agents' Guaranty Corporation of California. Guaranty Corporation shall not commence operations, other than its organization, unless the board of directors of Guaranty Corporation first determines that sufficient money has been deposited in the guaranty fund and the fidelity bond required by Section 17314 has been purchased and is in effect. When Guaranty Corporation commences operations, its members in good standing shall not be subject to Section 17203.1.

SEC. 2. Section 17313 of the Financial Code is amended to read:

17313. The commissioner shall review and approve the articles of incorporation and bylaws of Guaranty Corporation before they are filed with the Secretary of State.

SEC. 3. Section 17314 of the Financial Code is amended to read:

17314. Guaranty Corporation shall pay a member for loss of trust

obligations sustained as a result of embezzlement, theft, or mysterious disappearance or because of checks which have not been paid by the drawee bank drawn by the escrow agent on its trust or escrow account resulting from embezzlement, theft, or mysterious disappearance by an officer, director, trustee, stockholder, or employee of the escrow agent.

The liability of Guaranty Corporation to be paid from the guaranty fund shall be as follows:

(a) Up to fifty thousand dollars (\$50,000) per loss to a member during the first full year of operation of the Guaranty Corporation, for each loss discovered during this period.

(b) Up to one hundred thousand dollars (\$100,000) per loss to a member during the second full year of operation of the Guaranty Corporation, for each loss discovered during this period.

(c) Up to one hundred fifty thousand dollars (\$150,000) per loss to a member during the third full year of operation of the Guaranty Corporation, and thereafter.

Losses in excess of the amounts covered in subdivisions (a), (b), and (c), shall be covered by a fidelity bond purchased by the Guaranty Corporation on behalf of its members. Guaranty Corporation shall furnish a good and sufficient bond indemnifying the member against loss of trust obligations as a result of embezzlement, theft, or mysterious disappearance in excess of the amounts covered in subdivisions (a), (b), and (c). The bond shall be filed with the commissioner for approval pursuant to Section 17203.1.

The minimum amount of the bond shall be 1 percent of the total average trust obligations of all members as reported to the commissioner pursuant to Section 17348. When the amount of the bond is reduced below 1 percent of the total average trust obligations of all members because of a paid claim, Guaranty Corporation shall immediately purchase an additional bond to increase the bond coverage to 1 percent of the total average trust obligations of all members.

At all times, the bond shall equal 1 percent of the total average trust obligations of all members as reported to the commissioner pursuant to Section 17348.

SEC. 4. Section 17320 of the Financial Code is amended to read:

17320. Guaranty Corporation shall establish and maintain a guaranty fund as follows:

(a) Upon organization and establishment of the Guaranty Corporation, each member shall pay to Guaranty Corporation a membership fee of two thousand two hundred fifty dollars (\$2,250) for each member's licensed location. The membership fee shall be paid in three annual installments of seven hundred fifty dollars (\$750) each on or before April 15 of each year.

(b) Each person licensed pursuant to this division who becomes a member subsequent to the organization and establishment of Guaranty Corporation shall also pay to Guaranty Corporation a membership fee of two thousand two hundred fifty dollars (\$2,250)

for each member's licensed location. The first installment of the membership fee of seven hundred fifty dollars (\$750) shall be paid to Guaranty Corporation prior to the time the license is issued by the commissioner for each location. The second and third installments of the membership fee of seven hundred fifty dollars (\$750) each shall be paid on or before April 15 of the first and second year, respectively, subsequent to the year in which the license is issued. Guaranty Corporation shall not deny membership to any escrow agent holding a valid unrevoked license under the Escrow Law.

(c) A member who is granted authority by the commissioner to establish additional licensed locations shall pay to Guaranty Corporation, at the same time the authority is granted by the commissioner, the first installment of the membership fee for each licensed location. The second and third installments of the membership fee of seven hundred fifty dollars (\$750) shall be paid on or before April 15 of the first and second years, respectively, subsequent to the year in which the authority is granted by the commissioner.

(d) For the purpose of the annual assessment of each member to maintain the guaranty fund, Guaranty Corporation shall establish a guaranty fund account for each member, which shall require a cash payment from each member equal to the greater of the membership fee for each licensed location or 1 percent of the member's monthly average trust obligations as reported to the commissioner pursuant to Section 17348. If on April 15 of the fourth year of membership the member's guaranty fund account does not equal the greater of the membership fee for each licensed location or 1 percent of the member's monthly average trust obligations, then Guaranty Corporation shall assess the member as follows:

(1) First, the remaining annual installments on the membership fee as set forth in subdivision (a) of Section 17320.

(2) Then, after the membership fee is paid in full, an amount based on the member's average monthly trust obligations as follows:

(A) Six one hundredths of 1 percent of the average monthly trust obligations up to five hundred thousand dollars (\$500,000) plus

(B) Four one hundredths of 1 percent of the average monthly trust obligations from five hundred thousand one dollars (\$500,001) to one million dollars (\$1,000,000) plus

(C) Two one hundredths of 1 percent of the average monthly trust obligations in excess of one million dollars (\$1,000,000).

Provided, however, in no event will a member be required to pay an annual assessment greater than seven hundred fifty dollars (\$750) per licensed location.

(e) Whenever Guaranty Corporation is requested by a member to indemnify that member against all trust obligations as a result of embezzlement, theft, or mysterious disappearance, Guaranty Corporation shall pay its liability from the guaranty fund under Section 17314 by first charging the requesting member's guaranty fund account and then, to the extent that the member's guaranty



fund account is insufficient to satisfy the claim, then Guaranty Corporation will charge the guaranty fund accounts of all members by an amount equal to the ratio of the member's guaranty fund account to the total of all members' guaranty fund accounts. Thereafter, Guaranty Corporation shall immediately assess the member filing the claim the amount charged to that member's guaranty fund account as provided for in Section 17321.

(f) In the event the amount in the guaranty fund equals 2 percent or more of the total average trust obligations for all members as reflected in the most recent report required by Section 17348, Guaranty Corporation may remit to each member an amount in the guaranty fund in excess of 1½ percent of the total trust obligations of all members. The amount which may be remitted to each member shall be an amount equal to the ratio of the member's guaranty fund account to the total amount of all members' guaranty fund accounts. If a member has not paid any assessment or has not paid the full amount of any assessment or a membership fee, the amount to be remitted shall first be applied to pay the member's unpaid assessment or membership fee liability.

(g) The membership fee may be considered a tangible asset of the member in all financial statements.

(h) Whenever any member has surrendered its license to engage in business as an escrow agent (and the commissioner has accepted the surrender of the license), and the member has disbursed its trust obligations in accordance with the requirements of Escrow Law and escrow instructions, a member may request Guaranty Corporation to refund to the member the balance of its guaranty fund account. The member's guaranty fund account shall be refunded in accordance with Guaranty Corporation's bylaws; provided, no refund shall be made to any member sooner than 24 months and one day from the date of acceptance of surrender of the license by the commissioner.

SEC. 5. Section 17320.1 is added to the Financial Code, to read:

17320.1. Notwithstanding Section 17311, Guaranty Corporation shall bill and collect from each member the first annual installment of the membership fee, which shall be paid within 30 days from the effective date of this section. If the member fails to pay the first annual installment of the membership fee on or before the expiration of such 30-day period, the membership fee shall become delinquent and the commissioner may by order summarily suspend or revoke the certificate to engage in business as an escrow agent issued to the member. If, after such an order is made, a request for a hearing is filed in writing and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when its certificate is revoked or suspended, a member shall not conduct business pursuant to this division except as may be permitted by order of the commissioner; provided, however, that neither the revocation, suspension, or surrender of a certificate shall affect the powers of the commissioner as provided in this division.

SEC. 6. Section 17321 of the Financial Code is amended to read:

17321. Guaranty Corporation shall send a written notice of assessment to each member assessed within 30 days after the levy of any assessment. Amounts assessed shall be paid to Guaranty Corporation by each member assessed not later than 90 days following written notice of assessment.

In the event that Guaranty Corporation has extraordinary expenses or claims paid from the guaranty fund during any fiscal year which reduces the guaranty fund by 25 percent or more and the reduction would result in the guaranty fund being less than 1 percent of the total trust obligations of all members, Guaranty Corporation shall immediately levy an assessment on each member to replenish the guaranty fund by an amount charged to each member's account pursuant to the method set forth in Section 17339; provided, the assessment limitation of seven hundred fifty dollars (\$750) per year per location shall not apply.

SEC. 7. Section 17322 of the Financial Code is amended to read:

17322. A report of each levy of assessment shall be made to the commissioner within 10 business days after the levy.

SEC. 8. Section 17334 of the Financial Code is amended to read:

17334. Whenever the commissioner has taken possession of the property and business of Guaranty Corporation, Guaranty Corporation within 10 business days after the taking, if it deems itself aggrieved thereby, may apply to the superior court in the county in which the head office of Guaranty Corporation is located to enjoin further proceedings. The court, after citing the commissioner to show cause why further proceedings should not be enjoined, and after a hearing and a determination of the facts upon the merits, may dismiss the application or enjoin the commissioner from further proceedings and direct the commissioner to surrender the property and business to Guaranty Corporation, or make a further order as may be just.

SEC. 9. Section 17336 of the Financial Code is amended to read:

17336. (a) Guaranty Corporation shall have independent authority to investigate claims filed by members pursuant to Section 17330.

(b) Guaranty Corporation, with the written consent of the commissioner, may conduct an examination or investigation of the business practices of a member's handling and processing of trust obligations.

(c) Guaranty Corporation may submit reports and make recommendations to a member on its findings as a result of an examination or investigation conducted pursuant to this section. These reports and recommendations shall not be public documents. A copy of all reports and recommendations shall be furnished to the commissioner by Guaranty Corporation. There shall be no liability on the part of, and no cause of action of any nature shall arise against, Guaranty Corporation or its members, directors, officers, employees, stockholders, or agents or the commissioner or commissioner's authorized representatives for any statements made by them in any

reports or recommendations made hereunder.

(d) With the written consent of a majority of its directors and the commissioner, Guaranty Corporation, in order to fulfill its obligations under this section, may appoint an independent certified public accountant or public accountant or hire or appoint a specialized committee or employees to conduct an examination or investigation authorized by this section. Any reports as a result thereof shall be furnished to the commissioner pursuant to the provisions of subdivision (c).

(e) For the purposes of conducting an examination or investigation, Guaranty Corporation or its appointee shall have free access to the offices and places of business, books, accounts, papers, records, files, safes and vaults of the member.

(f) Costs and expenses for such examination or investigation shall be paid by Guaranty Corporation.

(g) Guaranty Corporation, any member of Guaranty Corporation, an agent of Guaranty Corporation or of its members, or any person who uses any information obtained under this section for any purpose not authorized herein is guilty of a misdemeanor.

SEC. 10. Section 17339 of the Financial Code is amended to read:

17339. Expenses of administration that exceed income from investments at the end of the year shall be charged to members' accounts. Each member's account shall be charged by an amount equal to the ratio of the member's guaranty fund account to the total of all members' guaranty fund accounts. Prior to incurring any extraordinary or nonrecurring expense, Guaranty Corporation shall first obtain the written consent of the commissioner.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the changes made by this act to take effect during the current fiscal year, it is necessary that this act go into immediate effect.

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## CHAPTER 157

An act to amend Section 2509 of the Education Code, relating to county superintendents of schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983 Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2509 of the Education Code is amended to read:

2509. (a) Whenever a county board of supervisors adopts the provisions of Section 1080 or 42649 and thereby transfers certain duties of the county auditor to the county superintendent of schools as provided therein, the revenue limit amount computed pursuant to subdivision (a) of Section 2551 for that county superintendent of schools shall, commencing with the fiscal year in which the effective date of the transfer occurs, be increased by an amount equivalent to the expenditures from the county general fund used to provide those services of the county auditor in the fiscal year immediately prior to the date of the transfer of functions to the county superintendent of schools. The amount of the increase shall be mutually agreed upon by both the county board of supervisors and the county superintendent of schools, as required by subdivision (a) of Section 3 of Article XIII B of the California Constitution. The Superintendent of Public Instruction shall adjust the revenue limit computed pursuant to subdivision (a) of Section 2551 prior to the application of the inflation allowance specified in Section 2557.

(b) Commencing with the fiscal year in which the effective date of the transfer occurs, the county auditor shall, from the county's allocation of taxes, add to the allocation of taxes to the county superintendent of schools, computed pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code, an amount equal to the amount of the increase agreed upon pursuant to subdivision (a), increased by the percentage growth in the taxable assessed value from the equalized assessment roll for the county, for the fiscal year in which the effective date of the transfer occurs, as compared to the fiscal year prior to the transfer. In each fiscal year thereafter, the amount to be added to the allocation of taxes to the county superintendent of schools shall be the amount added pursuant to this subdivision in the prior fiscal year, increased by the percentage growth in the taxable assessed value from the equalized assessment roll for the county for the then current fiscal year, as compared to the prior fiscal year.

SEC. 2. Section 1 of this act shall be deemed operative July 1, 1983, and shall apply to all transfers that are effective on or after that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act affects appropriations for support of local government and public education commencing with the 1983-84 fiscal year. In order for this act to take effect during the 1983-84 fiscal year, and to facilitate the orderly administration of the transfer of funding, it is necessary that this act take effect immediately.

## CHAPTER 158

An act to add Article 11 (commencing with Section 25549.20) to Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code, relating to counties.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Article 11 (commencing with Section 25549.20) is added to Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code, to read:

Article 11. Condominium Occupancy

25549.20. Any county or city and county may contract to acquire a condominium interest, as defined in Section 783 of the Civil Code, in real property to be used jointly by the county or city and county and any private person, firm, or corporation pursuant to this article.

Any land, building, or portion thereof, which is used by a private person, firm, or corporation pursuant to this article shall be subject to the zoning and building code requirements of the local jurisdiction in which the land and building are situated.

25549.21. The site in which the condominium interest is to be acquired may, prior to acquisition of such interest, be owned by a private person, firm, or corporation.

25549.22. The condominium interest acquired may be for a term of years or in fee.

25549.23. Any acquisition of a condominium interest shall be upon such terms and conditions as the parties thereto may agree. However, a notice of intention shall be given as provided in Section 25350 not later than the close of escrow.

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CHAPTER 159

An act to amend Sections 865, 865.2, 865.4, 6600, 6601, and 6602 of the Financial Code, relating to financial institutions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 865 of the Financial Code is amended to read:

865. As used in this article:

(a) "Account" means a demand, savings, or time deposit, as defined in regulations promulgated pursuant to Sections 371b, 1828, and 3502 of Title 12 of the United States Code, respectively, which is established by one or more natural persons, or an unincorporated association of natural persons, pursuant to which the depositor may from time to time make deposits and effect withdrawals and as to which the address shown on the records of the bank is within the United States or its territories.

(b) "Depositor" means a person who is identified on the signature card for an account, or in the absence of a signature card, a person who has an interest in an account which is reflected on the records of the bank for that account to whom statements of account or other notices are normally given, or the agent of such person.

(c) "Charges" means those charges which a bank may, from time to time, impose on an account in the normal course of business in the operation of the account, and does not include:

(1) Charges which may be imposed for extraordinary services furnished at the specific request of the depositor.

(2) Charges or amounts required to be disclosed to the depositor pursuant to the Truth-in-Lending Act (15 U.S.C. 1601, et seq.) and Regulation Z (12 C.F.R. 226.1, et seq.), as amended.

(3) Charges which may be imposed in connection with the printing of checks ordered by the depositor.

(4) Charges which may be imposed on the account but which are actually asserted by another bank pursuant to the Commercial Code in the course of presentment, payment or collection of an item.

SEC. 2. Section 865.2 of the Financial Code is amended to read:

865.2. A bank shall maintain information about: (1) the amount or, if no amount can be stated, the method of determining the amount of each charge which the bank may impose on an account; (2) the rate of interest, the annual yield, and the method that will be used in computing and paying interest on the account, if any, including any provision for nonpayment of interest on deposits made after the beginning of the interest payment period or withdrawn before the end of such period; (3) if the rate of interest may vary, the circumstances under which a variation may occur, including, if any, the index or formula to be utilized in determining such variation; and (4) the effective date thereof. The information shall be available to the public at each office in California at which such accounts are maintained in one or both of the following ways: (1) in written materials displayed and available to the public in an area of the bank open to the public; or (2) in any form of communication; provided that written materials displayed in an area of the bank open to the public tell how to get the information.

SEC. 3. Section 865.4 of the Financial Code is amended to read:

865.4. (a) Except as hereafter provided, prior to the time of accepting the initial deposit into an account, a bank shall furnish a written statement or statements to the depositor, which the

depositor may retain, setting forth the information described in Section 865.2.

If the depositor is not physically present at a branch office of the bank at the time the initial deposit is accepted and the written statement has not been furnished previously, the bank shall deliver the written statement to the depositor personally, or mail or deliver it to the depositor at the address shown on the records of the bank for that account, not later than 10 days after the date of the initial deposit.

(b) (1) Except as provided in subdivision (c), before any charge which has been disclosed in a statement furnished to a depositor is increased for that account, or any charge which has not been disclosed in a statement furnished to a depositor is imposed on that account, or any charge is imposed on an account if a statement has not been furnished as required by subdivision (a), the bank shall deliver to the depositor personally, or mail or deliver to the depositor at the address shown on the records of the bank for that account, a written statement or statements disclosing the increased charge or new charge in a manner provided in subdivision (a), or the written statement or statements required by subdivision (a), not less than 15 days prior to the date on which the charge is to be increased or first imposed, unless such charge or change therein is required by law or regulation.

(2) Except with respect to an account as to which the rate of interest applicable to all or any portion of the account balance may vary, whether or not pursuant to a specified index or formula, or as provided in subdivision (c), before a bank makes a change in the rate of interest or the method or frequency of computing or paying interest such that the annual yield will be less favorable to a depositor than under the previous rate, method, or frequency, the bank shall deliver to the depositor personally, or mail or deliver to the depositor at the address shown on the records of the bank for that account, a written statement or statements disclosing such change not less than 15 days prior to the effective date of such change, unless such change is required by law or regulation.

(c) With respect to an account established prior to July 1, 1977, unless previously furnished, a bank shall deliver to its depositors personally, or mail or deliver to its depositors at the address shown on the records of the bank for those accounts which are demand deposits, not later than July 1, 1977, and for those accounts which are savings and time deposits, not later than January 31, 1978, a current written statement or statements disclosing the information described in Section 865.2 which is in effect at that time.

(d) If there is more than one depositor with respect to an account, the bank need furnish the information required by this section to only one of them.

(e) An unincorporated association of natural persons may execute a written waiver of the requirements of this section when establishing an account which provides for specially negotiated

arrangements with respect to the charges, interest rate, and method or frequency of computing and paying interest applicable to such account.

(f) For the purposes of the second paragraph of subdivision (a), a bank is not required to make subsequent initial disclosures solely because a depositor makes or authorizes subsequent deposits which individually may bear different rates of interest notwithstanding that federal or state law or regulation treat such deposits as separate accounts, if the deposits are made or authorized in accordance with an arrangement contemplating a series of deposits which individually may bear different rates of interest, and that disclosure has been furnished at the time the arrangement was established or at a later time prior to the acceptance of a particular deposit for which a subsequent initial disclosure would otherwise be required by this section.

SEC. 4. Section 6600 of the Financial Code is amended to read: 6600. As used in this article:

(a) "Account" means withdrawable or repurchasable shares, investment certificates, deposits or savings accounts as defined in Section 561.11 of Title 12 of the Code of Federal Regulations or in regulations promulgated pursuant to Section 3502 of Title 12 of the United States Code, which is established by one or more natural persons, or an unincorporated association of natural persons, pursuant to which the depositor may, from time to time, make deposits and effect withdrawals and as to which the address shown on the records of the association is within the United States or its territories.

(b) "Depositor" means a person who is identified on the signature card for an account, or in the absence of a signature card, a person who has an interest in an account which is reflected on the records of the association for that account to whom statements of account or other notices are normally given, or the agent of such person.

(c) "Charges" means those charges which an association may, from time to time, impose on an account in the normal course of business in the operation of the account and, does not include:

(1) Charges which may be imposed for extraordinary services furnished at the specific request of the depositor.

(2) Charges or amounts required to be disclosed to the depositor pursuant to the Truth-in-Lending Act (15 U.S.C. 1601, et seq.) and Regulation Z (12 C.F.R. 226.1, et seq.), as amended.

SEC. 5. Section 6601 of the Financial Code is amended to read:

6601. An association shall maintain information about: (1) the amount or, if no amount can be stated, the method of determining the amount of each charge which the association may impose on an account; (2) the rate of interest, the annual yield, and method that will be used in computing and paying interest on the account, if any, including any provision for nonpayment of interest on deposits made after the beginning of the interest payment period or withdrawn before the end of such period; (3) if the rate of interest may vary,



the circumstances under which a variation may occur, including, if any, the index or formula to be utilized in determining such variation; and (4) the effective date thereof. The information shall be available to the public at each office in California at which such accounts are maintained in one or both of the following ways: (1) in written materials displayed and available to the public in an area of the association open to the public; or (2) in any form of communication; provided that written materials displayed in an area of the association open to the public tell how to get the information.

SEC. 6. Section 6602 of the Financial Code is amended to read:

6602. (a) Except as hereafter provided, prior to the time of accepting the initial deposit into an account, an association shall furnish a written statement or statements to the depositor, which the depositor may retain, setting forth the information described in Section 6601.

If the depositor is not physically present at a branch office of the association at the time the initial deposit is accepted and the written statement has not been furnished previously, the association shall deliver the written statement to the depositor personally, or mail or deliver it to the depositor at the address shown on the records of the association for that account, not later than 10 days after the date of the initial deposit.

(b) (1) Except as provided in subdivision (c), before any charge which has been disclosed in a statement furnished to a depositor is increased for that account, or any charge which has not been disclosed in a statement furnished to a depositor is imposed on that account, or any charge is imposed on an account if a statement has not been furnished as required by subdivision (a), the association shall deliver to the depositor personally, or mail or deliver to the depositor at the address shown on the records of the association for that account, a written statement or statements disclosing the increased charge or new charge in the manner provided in subdivision (a), or the written statement or statements required by subdivision (a), not less than 15 days prior to the date on which the charge is to be increased or first imposed unless such charge or change therein is required by law or regulation.

(2) Except with respect to an account as to which the rate of interest applicable to all or any portion of the account balance may vary, whether or not pursuant to a specified index or formula, or as provided in subdivision (c), before an association makes a change in the rate of interest or the method or frequency of computing or paying interest such that the annual yield will be less favorable to a depositor than under the previous rate, method, or frequency, the association shall deliver to the depositor personally, or mail or deliver to the depositor at the address shown on the records of the association for that account, a written statement or statements disclosing such change not less than 15 days prior to the effective date of such change, unless such change is required by law or regulation.

(c) With respect to an account established prior to July 1, 1977,

unless previously furnished, an association shall deliver to its depositors personally, or mail or deliver to its depositors at the address shown on the records of the association not later than January 31, 1978, a current written statement or statements disclosing the information described in Section 6601 which is in effect at that time.

(d) If there is more than one depositor with respect to an account, the association need furnish the information required by this section to only one of them.

(e) An unincorporated association of natural persons may execute a written waiver of the requirements of this section when establishing an account which provides for specially negotiated arrangements with respect to the charges, interest rate, and method or frequency of computing and paying interest applicable to such account.

(f) For the purposes of the second paragraph of subdivision (a), an association is not required to make subsequent initial disclosures solely because a depositor makes or authorizes subsequent deposits which individually may bear different rates of interest notwithstanding that federal or state law or regulation treat such deposits as separate accounts, if the deposits are made or authorized in accordance with an arrangement contemplating a series of deposits which individually may bear different rates of interest, and that disclosure has been furnished at the time the arrangement was established or at a later time prior to the acceptance of a particular deposit for which a subsequent initial disclosure would otherwise be required by this section.

SEC. 7. The amendments to Sections 865, 865.4, 6600, and 6602 of the Financial Code made by Sections 1, 3, 4, and 6, respectively, of this act do not constitute a change in, but are declaratory of, the existing law.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

A question has arisen relating to the intent of the Legislature when it amended Sections 865.4 and 6602 of the Financial Code by the enactment of Sections 7 and 10 of Chapter 1203 of the Statutes of 1982. In order to clarify that intent in conformity with testimony and materials presented to the Legislature at that time (i.e., that different notice requirements were imposed with respect to all variable rate deposit accounts as distinguished from deposit accounts as to which the rate of interest may not vary) as soon as possible so that depositors in California banks and savings and loan associations may obtain the benefit of new types of variable rate deposit accounts as they become authorized by the federal Depository Institutions Deregulation Committee during the period in which that Committee is authorized to so act by the Congress of the United States, it is necessary that this act take effect immediately.

## CHAPTER 160

An act to amend Section 70055 of the Government Code, relating to court reporter fees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 70055 of the Government Code is amended to read:

70055. In San Bernardino County, the fee required by Section 70053 shall be sixteen dollars and fifty cents (\$16.50); provided, however, that in addition to any fee otherwise required, in civil cases that last longer than one judicial day, a fee per day equal to the per diem rate for official reporters pro tempore shall be charged to the parties for the services of an official reporter for the second and each successive day a reporter is required. The foregoing fees shall apply to cases in which the services of only one official reporter are required: in the event the court, at the request of a party, orders a daily transcript, necessitating the services of two phonographic reporters, the party requesting the daily transcript shall pay an additional fee per day equal to the per diem rate for official reporters pro tempore for the services of the second reporter for the first and each successive day.

All fees paid under this section may be taxed as costs.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

There is a serious shortage of county funds available for support of the superior court. Continuation of superior court operations necessitates that this act go into effect immediately in order to avoid deterioration in the administration of justice.

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CHAPTER 161

An act to amend Section 830.7 of the Penal Code, relating to peace officers.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 830.7 of the Penal Code is amended to read:

830.7. The following persons are not peace officers but may exercise the powers of arrest of a peace officer as specified in Section 836 during the course and within the scope of their employment, if they receive a course in the exercise of those powers pursuant to Section 832:

(a) Persons designated by a cemetery authority pursuant to Section 8325 of the Health and Safety Code.

(b) Persons regularly employed as security officers for institutions of higher education, recognized under subdivision (a) of Section 94310 of the Education Code, if the institution has concluded a memorandum of understanding, permitting the exercise of that authority, with the sheriff or chief of police within whose jurisdiction the institution lies.

(c) Persons regularly employed as security officers for health facilities defined in Section 1250 of the Health and Safety Code which are owned and operated by cities, counties, and cities and counties, if the facility has concluded a memorandum of understanding permitting the exercise of that authority with the sheriff or chief of police within whose jurisdictions the facility lies.

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## CHAPTER 162

An act to amend Section 36605 of, and to add Sections 36577 and 36578 to, the Water Code, relating to water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 36577 is added to the Water Code, to read:

36577. In lieu of assessing all land pursuant to its cash value as set forth in Section 36571 or the county assessed value pursuant to Section 36575, the board may provide for an alternative method of valuation based upon the benefits bestowed on the land by directing the assessor to, and the assessor shall thereafter, adopt as the assessed value of all land in the district an amount determined by the board pursuant to Section 36578.

SEC. 2. Section 36578 is added to the Water Code, to read:

36578. If the board elects to have land within the district valued pursuant to Section 36577, the following procedures shall apply:

(a) Prior to its adoption of a valuation based upon benefits under this section, the board shall hold a public hearing at which owners of property or residents of the district may appear and be heard. Notice of the hearing shall be given by the secretary by posting notice thereof at the district office at least 15 days prior to the

hearing, stating the purpose, time, and place of hearing, together with publication thereof in a newspaper of general circulation in each county in which the district has land at least three times, not sooner than three days between publications, and the last publication to be at least 10 days, but not more than 20 days, before the hearing. Notice shall also be given by mail to each landowner as shown in the records of the district and shall be mailed at least 20 days prior to the hearing.

(b) At the hearing, evidence shall be introduced by the assessor and may be introduced by landowners or residents within the district as to the valuation schedules to be adopted by the board.

(c) At the conclusion of the hearing, or as it may be continued from time to time, the board shall adopt a schedule of valuations on a per acre basis, or fractions thereof, for agricultural land and on a parcel, acreage, or square foot basis for nonagricultural land. The schedule shall reflect the proportional benefits bestowed on the property assessed by the operation of the district. Land may be classified as to direct or indirect receipt of district benefit, irrigated or nonirrigated use, commercial, industrial, or residential use, or any other method which reflects the benefits received.

(d) Upon the board's adoption of a schedule of valuations, the duties and responsibilities of the board of supervisors and clerk of the board of supervisors established in this chapter and Chapter 2 (commencing with Section 36725) shall be carried out by the board and secretary of the district, respectively.

(e) There shall be no allocation of property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code to any district that utilizes the provisions of Section 36577. Each district utilizing Section 36577 shall notify the county auditor pursuant to Section 100 of the Revenue and Taxation Code that the district does not desire to receive a property tax allocation.

SEC. 3. Section 36605 of the Water Code is amended to read:

36605. After hearing all objections and evidence, the board of supervisors shall:

(a) Add to or deduct from the valuation assessed to any parcel of land a percent thereof sufficient to raise it or reduce it to its full cash value.

(b) Fix the full cash value of any land that has not been assessed.

(c) In the case of lands assessed pursuant to Section 36577, change the assessed value of any parcel so as to reflect the proportional benefit bestowed upon the parcel by the operations of the district.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for an alternative method of determining assessments within districts organized under the California Water District Law to be available for use in the next fiscal year, it is necessary that this

act take effect immediately.

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## CHAPTER 163

An act to add Section 1361 to the Civil Code, relating to condominiums.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1361 is added to the Civil Code, to read:

1361. (a) The owner of a condominium unit shall have the right to modify the unit, at his or her own expense, consistent with applicable building code requirements, and consistent with the intent of otherwise applicable conditions, covenants and restrictions pertaining to safety or aesthetics, if the purpose of the modification is to facilitate access for persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions which could be hazardous to such persons.

(b) "Condominium unit" or "unit" as used in this section shall mean the dwelling of the individual owner as well as the route from the public way to the door of the individual dwelling and shall apply only to ground floor units and units already accessible by existing ramps or elevators.

(c) Modifications external to the dwelling shall be in compliance with the provisions of subdivision (a), shall not prevent reasonable passage by other residents, and shall be removed by the owner when the unit is no longer occupied by persons who are blind, visually handicapped, deaf, or physically disabled, requiring those modifications.

(d) This section shall apply both to existing condominium units and to future condominium units.

(e) Any owner who intends to modify a unit pursuant to this section shall submit his or her plans and specifications to the homeowner's association for review to determine whether such modifications will comply with the provisions of this section. The governing board of the homeowner's association shall not deny approval of those proposed modifications under this section without good cause.

## CHAPTER 164

An act to add Section 20128.5 to the Public Contract Code, relating to county buildings.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 20128.5 is added to the Public Contract Code, to read:

20128.5. Notwithstanding any other provisions of this article to the contrary, the board of supervisors may award annual contracts which do not exceed one million dollars (\$1,000,000) for repair, remodeling, or other repetitive work to be done according to unit prices. No annual contracts may be awarded for design, contract drawings, or for any new construction. The contracts shall be awarded to the lowest responsible bidder and shall be based on plans and specifications for typical work. No project shall be performed under such a contract except by order of the board of supervisors, or an officer acting pursuant to Section 20145.

For purposes of this section, "unit price" means the amount paid for a single unit of an item of work, and "typical work" means a work description applicable universally or applicable to a large number of individual projects, as distinguished from work specifically described with respect to an individual project.

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CHAPTER 165

An act to add Section 71040.4 to the Government Code, relating to courts.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 71040.4 is added to the Government Code, to read:

71040.4. In the event that the Board of Supervisors of Kings County consolidates the Hanford Judicial District and the Lemoore Judicial District, any municipal court established in the consolidation shall have two judges. The judges shall be selected as otherwise provided by law. The constable of the Hanford Judicial District shall become the marshal of the municipal court upon any such consolidation. The board of supervisors may by resolution or ordinance provide for the sheriff and his deputies to act ex officio as

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the marshal and deputy marshals of the municipal court beginning on January 1, 1990, or upon a vacancy in the office, whichever occurs first.

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## CHAPTER 166

An act to add Section 37392.2 to the Government Code, relating to city property.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 37392.2 is added to the Government Code, to read:

37392.2. Notwithstanding Section 718 of the Civil Code, a city may lease any of its lands to a county, county water authority, or special district for the purpose of constructing, operating, maintaining, and replacing a dam, reservoir, and appurtenant facilities to collect, divert, and store water for all beneficial uses, including development of power, flood control, and recreational uses. The lease may be for any term, but not to exceed the time during which the lands are devoted to the purposes and uses authorized by this section.

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## CHAPTER 167

An act to amend Sections 6005 and 6007 of, and to add Section 6003 to, the Food and Agricultural Code, relating to cotton, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6003 is added to the Food and Agricultural Code, to read:

6003. "First handler" means the first person who, as owner, agent, or broker, purchases, or otherwise acquires from a grower, possession or control of cotton.

SEC. 2. Section 6005 of the Food and Agricultural Code is amended to read:

6005. (a) Every grower of cotton in the state shall pay to the director a fee of two dollars (\$2) for each bale of cotton ginned or for each bale of cotton sold by growers in this state who received the



cotton under the federal payment-in-kind program, Section 700 et seq. of Title 7 of the Code of Federal Regulations.

(b) The fee is a maximum fee. The amount of the fee may vary from district to district in accordance with the protection afforded to the cotton crop in the districts. The director may establish districts in the state for the purpose of fixing the fee. Between February 1 and June 30 of each year, the Cotton Pest Control Board shall recommend to the director the amount of the fee that it determines to be necessary to carry out this article in each district. The director may fix the fee at a less amount, when he or she finds that the cost of administering this article can be defrayed with the below-maximum fee. The amount of the fee shall be effective for the next fiscal year. The fee shall be paid to the director at the time the cotton is ginned or by the first handler when the cotton is sold in the case of cotton received by growers under the federal payment-in-kind program, Section 700 et seq. of Title 7 of the Code of Federal Regulations. The first handler shall deduct the fee from any moneys owed to the grower. To determine the number of payment-in-kind bales on which the fee is calculated that the first handler pays to the director, the first handler shall divide each grower's total payment-in-kind entitlement pounds of cotton by 500. The amount received by the director shall be paid into the Department of Food and Agriculture Fund and shall be used for the control of pink bollworm or other related cotton pests.

(c) The revenue from the fee shall be used to pay the cost of carrying out this article.

(d) The director shall refund any fees which have not been expended by the termination date of this article.

(e) The director may receive moneys from other sources for this program, which shall be deposited into the Department of Food and Agriculture Fund, and used to carry out the purposes of this article.

SEC. 3. Section 6007 of the Food and Agricultural Code is amended to read:

6007. This article shall remain in effect only until July 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1988, deletes or extends that date.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect this state's cotton crop from destruction, the

boll weevil must be eradicated as soon as possible. Therefore, it is necessary that this act take effect immediately.

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## CHAPTER 168

An act to add and repeal Section 669.1 of the Evidence Code, relating to due care.

[Approved by Governor June 30, 1983 Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 669.1 is added to the Evidence Code, to read:

669.1. A local rule, regulation, or guideline setting forth standards of conduct for peace officers in the use of deadly force shall not be considered a statute, ordinance, or regulation of a public entity within the meaning of Section 669.

This section affects only the application of the presumption set forth in Section 669; it does not affect what evidence is admissible in a civil action.

The provisions of this section shall be applicable to any cause of action arising out of facts occurring on or after January 1, 1984, but before January 1, 1987 regardless of the date the action is commenced or tried.

This section shall remain in effect until January 1, 1987, and on that date is repealed unless a later enacted statute, which is chaptered before that date, deletes or extends that date.

SEC. 2. The Legislature finds and declares that some local police agencies have adopted rules and regulations designed to provide guidance and training to peace officers in the exercise of their powers and duties, and that these rules and regulations reflect an effort by police administrators to encourage peace officers to follow procedures that are appropriate to local conditions and which are more restrictive than minimum standards of conduct required by state law.

The Legislature further finds and declares that the adoption of rules and regulations which are intended to elevate the conduct of peace officers beyond minimum state standards should not expose a peace officer, police agency or locality to presumptive civil liability than if those rules had not been adopted.

The Legislature further finds and declares that a court decision which interpreted Section 669 of the Evidence Code to raise a presumption of negligence when a peace officer violates a locally adopted rule of conduct does not accurately reflect the intent of the Legislature, and that the effect of the decision has been to discourage police agencies from adopting rules and regulations designed to

upgrade the conduct of its peace officers.

The Legislature further finds and declares that in adopting this act it is not the intent of the Legislature to restrict the right of injured parties to pursue civil actions against peace officers or police agencies, but that it is the intent of the Legislature to permit localities to adopt rules of peace officer conduct without fear of presumptive civil liability.

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## CHAPTER 169

An act to amend Section 52020 of the Health and Safety Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983 Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 52020 of the Health and Safety Code, as amended by Chapter 1452 of the Statutes of 1982, is amended to read:

52020. (a) For purposes of a home financing program authorized by this part, a city or county shall have the following powers and duties:

(1) To acquire, contract, and enter into advance commitments to acquire, home mortgages made or owned by lending institutions at the purchase prices and upon the other terms and conditions as shall be determined by the city or county or other person as it may designate as its agent, to make and execute contracts with lending institutions for the origination and servicing of home mortgages and to pay the reasonable value of services rendered under those contracts. Prior to executing any contract with a lending institution, a city or county shall adopt regulations establishing criteria for qualification of lending institutions eligible to originate and service home mortgages under home financing programs authorized by this part and shall, with respect to each home financing program, permit each qualified lending institution which transacts business in the city or county the opportunity to participate in the program on an equitable basis with other participating lending institutions. Two or more cities in the same county, or a county and one or more cities within the county, or two or more adjacent counties and any number of cities within those counties may enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing home mortgages pursuant to this part with respect to property within the boundaries of any one or more of the entities.

(2) To make loans to lending institutions under terms and conditions which, in addition to other provisions as determined by

the city or county, shall require the lending institutions to use all of the net proceeds thereof, directly or indirectly, for the making of home mortgages in an aggregate principal amount equal to the amount of the net proceeds.

(3) To establish, by rules or regulations, in resolutions relating to any issuance of bonds or in any documents relating to the issuance, the standards and requirements applicable to the purchase of home mortgages or the making of loans to lending institutions as the city or county deems necessary or desirable to effectuate the purposes of this part, which may include without limitation the following:

(A) The time within which lending institutions are required to make commitments and disbursements for home mortgages.

(B) The location and other characteristics of homes to be financed by home mortgages.

(C) The terms and conditions of home mortgages to be acquired.

(D) The amounts and types of any insurance coverage required on homes, home mortgages and bonds.

(E) The representations and warranties of lending institutions confirming compliance with such standards and requirements.

(F) Restrictions as to interest rate and other terms of home mortgages or the return realized therefrom by lending institutions.

(G) The type and amount of collateral security to be provided to assure repayment of any loans from the city or county and to assure repayment of bonds.

(H) Any other matters related to the purchase of home mortgages or the making of loans to lending institutions as shall be deemed relevant by the city or county.

(4) To require from each lending institution from which home mortgages are purchased or to which loans are made the submission of evidence satisfactory to the city or county of the ability and intention of the lending institution to make home mortgages, and the submission, within the time specified by the city or county for making disbursements for home mortgages, of evidence satisfactory to the city or county of the making of home mortgages and of compliance with any standards and requirements established by it.

(b) Each city or county which finances housing pursuant to this part shall designate a person or entity to administer the program.

(c) Each city or county which finances housing pursuant to this part shall adopt regulations establishing criteria for qualification of persons and families, which may differ among different cities or counties to reflect varying economic and housing conditions. In developing this criteria, factors similar to the following shall be taken into consideration:

(1) The amount of the income of the person or family that is available for housing needs.

(2) The size of the household.

(3) The costs and condition of available housing.

(4) The eligibility of the persons or families for federal housing assistance of any type.

(d) Criteria for qualification of persons and families pursuant to this section shall include a maximum household income, which maximum shall not exceed the following:

(1) One hundred fifty percent of the median household income shall be for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families shall also be 150 percent of the median household income. For purposes of this paragraph, a mortgage made for improving a home includes a home improvement loan as defined in Section 103A of the federal Internal Revenue Code of 1954, as amended.

(2) One hundred twenty percent of the median household income where the purchaser will not be the first occupant. However, the city or county shall assure that no less than 20 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 110 percent of the median household income; provided, that the legislative body of the city or county may, by resolution, increase this income limitation to 120 percent of median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed the median household income. The resolution shall be final and conclusive as to the findings required by this subparagraph. However, the finding shall not be made by the legislative body before six months from the date mortgages were first made under the program and only if participating lenders have entered into an agreement with the city, county, or city and county that lenders will advertise at least monthly the availability of funds and will forfeit one-quarter of their origination fees if they are unable to use 20 percent of the funds to make mortgages to households whose income does not exceed 110 percent of the median income.

(3) One hundred fifty percent of the median household income shall be for mortgages made for improving a home or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion thereof, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and which is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119, of the Housing and Community Development Act of 1974, provided that the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that the designation is in effect on the date of sale of revenue bonds issued under this part.

As used in this subdivision, "median household income" means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for area as determined by the United States Department of Housing and Urban Development (with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area).

Any city or county which issued bonds pursuant to this chapter after August 1, 1981, may elect to apply the provisions of this subdivision and subdivision (c) to mortgagors obtaining mortgages from the proceeds of the bonds.

(e) Each city or county which finances housing pursuant to this part shall allocate no less than 60 percent of the dollar amount of its financing from bond proceeds to fund loans for the purchase of homes where the purchaser will be the first occupant, or for substantial rehabilitation. As used in this chapter, "substantial rehabilitation" means rehabilitation in which the costs of rehabilitation equal or exceed 20 percent of the value of the structure after rehabilitation.

(f) Each city or county which finances housing pursuant to this part shall require each mortgagor under the program to certify his or her intention to occupy the home for a minimum of two years after receiving a home mortgage, with appropriate exceptions in hardship cases determined by such city or county.

(g) To do any and all things necessary to carry out the purposes and exercise the powers expressly granted by this part.

This section shall remain in effect only until June 30, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before June 30, 1984, deletes or extends that date. However, the provisions of this section shall remain applicable to loans made on or after June 30, 1984, with the proceeds of bonds issued prior to that date.

SEC. 2. Section 52020 of the Health and Safety Code, as added by Section 4 of Chapter 155 of the Statutes of 1982, is amended to read:

52020. (a) For purposes of a home financing program authorized by this part, a city or county shall have the following powers and duties:

(1) To acquire, contract, and enter into advance commitments to acquire, home mortgages made or owned by lending institutions at the purchase prices and upon the other terms and conditions as shall be determined by the city or county or other person as it may designate as its agent, to make and execute contracts with lending institutions for the origination and servicing of home mortgages and to pay the reasonable value of services rendered under those contracts. Prior to executing any contract with a lending institution, a city or county shall adopt regulations establishing criteria for qualification of lending institutions eligible to originate and service home mortgages under home financing programs authorized by this part and shall, with respect to each home financing program, permit

each qualified lending institution which transacts business in the city or county the opportunity to participate in the program on an equitable basis with other participating lending institutions. Two or more cities in the same county, or a county and one or more cities within the county, or two or more adjacent counties and any number of cities within those counties may enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing home mortgages pursuant to this part with respect to property within the boundaries of any one or more of the entities.

(2) To make loans to lending institutions under terms and conditions which, in addition to other provisions as determined by the city or county, shall require the lending institutions to use all of the net proceeds thereof, directly or indirectly, for the making of home mortgages in an aggregate principal amount equal to the amount of the net proceeds.

(3) To establish, by rules or regulations, in resolutions relating to any issuance of bonds or in any documents relating to the issuance, standards and requirements applicable to the purchase of home mortgages or the making of loans to lending institutions as the city or county deems necessary or desirable to effectuate the purposes of this part, which may include without limitation the following:

(A) The time within which lending institutions are required to make commitments and disbursements for home mortgages.

(B) The location and other characteristics of homes to be financed by home mortgages.

(C) The terms and conditions of home mortgages to be acquired.

(D) The amounts and types of any insurance coverage required on homes, home mortgages and bonds.

(E) The representations and warranties of lending institutions confirming compliance with the standards and requirements.

(F) Restrictions as to interest rate and other terms of home mortgages or the return realized therefrom by lending institutions.

(G) The type and amount of collateral security to be provided to assure repayment of any loans from the city or county and to assure repayment of bonds.

(H) Any other matters related to the purchase of home mortgages or the making of loans to lending institutions as shall be deemed relevant by the city or county.

(4) To require from each lending institution from which home mortgages are purchased or to which loans are made the submission of evidence satisfactory to the city or county of the ability and intention of the lending institution to make home mortgages, and the submission, within the time specified by the city or county for making disbursements for home mortgages, of evidence satisfactory to the city or county of the making of home mortgages and of compliance with any standards and requirements established by it.

(b) Each city or county which finances housing pursuant to this part shall designate a person or entity to administer the program.

(c) Each city or county which finances housing pursuant to this part shall adopt regulations establishing criteria for qualification of persons and families, which may differ among different cities or counties to reflect varying economic and housing conditions. In developing this criteria, factors similar to the following shall be taken into consideration:

(1) The amount of the income of the person or family that is available for housing needs.

(2) The size of the household.

(3) The costs and condition of available housing.

(4) The eligibility of the persons or families for federal housing assistance of any type.

(d) Criteria for qualification of persons and families pursuant to this section shall include a maximum household income, which maximum shall not exceed the following:

(1) One hundred twenty percent of the median household income shall be for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families shall also be 120 percent of the median household income.

(2) The median household income where the purchaser will not be the first occupant. However, the city or county shall assure that no less than half the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 80 percent of such median household income; provided, that the legislative body of the city or county may, by resolution, increase this income limitation to 90 percent of median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 80 percent of median household income. The resolution shall be final and conclusive as to the findings required by this paragraph.

(3) One hundred fifty percent of the median household income shall be for mortgages made for improving a home or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion thereof, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and which is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119, of the Housing and Community Development Act of 1974, provided that the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that the designation is in effect on the date of sale of revenue bonds issued under this part.



As used in this subdivision, "median household income" means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for area as determined by the United States Department of Housing and Urban Development (with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area).

(e) Each city or county which finances housing pursuant to this part shall allocate no less than 60 percent of the dollar amount of its financing from bond proceeds to fund loans for the purchase of homes where the purchaser will be the first occupant, or for substantial rehabilitation. As used in this chapter, "substantial rehabilitation" means rehabilitation in which the costs of rehabilitation equal or exceed 20 percent of the value of the structure after rehabilitation.

(f) Each city or county which finances housing pursuant to this part shall require each mortgagor under the program to certify his or her intention to occupy the home for a minimum of two years after receiving a home mortgage, with appropriate exceptions in hardship cases determined by such city or county.

(g) Each city and county may do any and all things necessary to carry out the purposes and exercise the powers expressly granted by this part.

(h) This section shall become operative June 30, 1984.

SEC. 3. The City of Coalinga may proceed under the provisions of Sections 4 to 10, inclusive, of this act when adopting or amending one or more redevelopment plans within the city and when issuing bonds to finance the construction or development of multifamily rental housing.

SEC. 4. With respect to the adoption or amendment of one or more redevelopment plans within the City of Coalinga, the otherwise applicable provisions of Chapter 4 (commencing with Section 33300) of Part 1 of Division 24 of the Health and Safety Code shall be modified as follows:

(a) In lieu of preparing the report required pursuant to Section 33328 within 90 days of the date the redevelopment agency files the information required by Section 33327 with the State Board of Equalization, the county officials may prepare and deliver that report to the redevelopment agency and each of the taxing agencies within 20 days of the date the redevelopment agency files that information with the State Board of Equalization and the report need only be as complete as the information then available will permit.

(b) For the purposes of Section 33328, "last equalized assessment roll" and "base year assessment roll" shall mean and refer to the assessment roll as reduced in accordance with the provisions of subdivision (b) of Section 170 of the Revenue and Taxation Code.

(c) The notices provided for in Sections 33349, 33361, and 33452 need be published only once at least 10 days prior to the hearing

referred to in those sections.

(d) The requirements of Section 33353 shall not apply.

SEC. 5. With respect to the issuance of bonds within the City of Coalinga pursuant to Chapter 8 (commencing with Section 33750) of Part 1 of Division 24 of the Health and Safety Code, the limitations contained in subdivision (j) of Section 33753 governing the financing of commercial structures shall not apply.

SEC. 6. Bonds issued by the City of Coalinga before January 1, 1985, to finance the construction or development of multifamily rental housing pursuant to Chapter 7 (commencing with Section 52075) of Part 5 of Division 31 of the Health and Safety Code shall not be included for the purpose of determining whether the annual maximum aggregate amount of bonds sold pursuant to that chapter exceeds nine hundred million dollars (\$900,000,000).

SEC. 7. Notwithstanding Section 33500 of the Health and Safety Code, no action attacking or otherwise questioning the validity of a redevelopment plan or amendment to a redevelopment plan adopted in accordance with the provisions of Sections 4, 5, and 8 of this act or the adoption or approval of such plan or amendment or any of the findings or determinations of the City of Coalinga or its redevelopment agency in connection with such plan or amendment shall be brought prior to the adoption of the redevelopment plan or amendment nor at any time after the elapse of 30 days from and after the date of adoption of the ordinance adopting or amending the plan.

SEC. 8. With respect to a redevelopment plan or amendment to a redevelopment plan adopted by the City of Coalinga in accordance with the provisions of Sections 4 and 5 of this act, the terms "assessment roll" and "last equalized assessment roll" as used in Section 33670 of the Health and Safety Code shall mean and refer to the assessment roll as reduced in accordance with the provisions of subdivision (b) of Section 170 of the Revenue and Taxation Code.

SEC. 9. In accordance with subdivision (b) of Section 21080 of the Public Resources Code, the provisions of the California Environmental Quality Act shall not be applicable to redevelopment plans or amendments to redevelopment plans adopted by the City of Coalinga in accordance with the provisions of Sections 4, 5, and 8 of this act, or to the public and private activities and undertakings pursuant to, or in furtherance of, those redevelopment plans or amendments.

SEC. 10. Notwithstanding the provisions of Sections 33130 and 33130.5 of the Health and Safety Code, an officer or employee of the agency or of the community may purchase or lease property within a redevelopment project area of the City of Coalinga, if the purchase or lease is for the purpose of reestablishing, expanding, or continuing an existing business or property investment, or securing a personal residence, and if the officer or employee who purchases or leases the property immediately makes a written disclosure to the agency and the legislative body. The disclosure shall be entered on the minutes of the agency. The officer or employee shall thereafter be

disqualified from voting on matters directly affecting such a purchase, lease, or residency. Failure to so disclose shall constitute misconduct in office.

SEC. 11. Sections 3 to 10, inclusive, of this act, applicable only to the City of Coalinga and its redevelopment agency, are necessary to provide immediate aid and assistance to the disaster area damaged by the May 1983, earthquake. The problems created by that disaster are such that a general law cannot be made applicable.

SEC. 12. Sections 3 to 11, inclusive, of this act shall remain in effect only until January 1, 1989, and as of such date are repealed, unless a later enacted statute, which is chaptered before January 1, 1989, deletes or extends that date.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Liberalized provisions relating to much needed financing for housing will lapse on July 1, 1983, unless a statute chaptered before that time deletes or extends that date. As this act would extend the date until January 1, 1984, it is necessary for this act to go into immediate effect.

In addition, areas of the City of Coalinga damaged by the May 1983, earthquake are urgently in need of aid and assistance which can be provided by the city's redevelopment agency through the use of its powers under the Community Redevelopment Law of this state. In order to exempt the issuance of bonds to finance the construction or development of multifamily rental housing from an existing limitation as soon as possible, and in order for the Redevelopment Agency of the City of Coalinga to provide immediate aid and assistance, it is necessary to enable the City of Coalinga and its redevelopment agency to quickly establish redevelopment projects and adopt and amend redevelopment plans. Therefore, this act must take effect immediately.

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## CHAPTER 170

An act to amend Sections 6851, 6852, 6863, 6865, 6865.5, 6868.5, 6871, 6872, 6880, 6894.7, 6915.4, 6926, and 6947 of, to add Sections 6858, 6863.5, 6893.1, 6893.2, 6893.3, 6893.4, 6893.5, 6893.6, 6894.15, 6894.16, 6894.17, 6894.18, 6926.1, 6926.2, 6926.3, 6926.4, 6926.5, 6926.6, 6926.7, 6926.8, 6926.9, 6926.10, and 6926.11 to, and to repeal Sections 6927 and 6947.1 of, the Business and Professions Code, and to amend Section 4 of Chapter 772 of the Statutes of 1978, relating to collection agencies, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6851 of the Business and Professions Code is amended to read:

6851. (a) "Person" includes firm, partnership, association or corporation.

(b) "Department" means the Department of Consumer Affairs.

(c) "Director" means the Director of Consumer Affairs.

(d) "Bureau" means the Bureau of Collection and Investigative Services.

(e) "Chief" means the Chief of Collection and Investigative Services.

(f) "Board" means the Collection Agency Board.

(g) "Manager" means a qualified certificate holder who is actively in charge of a licensed collection agency.

SEC. 1.5. Section 6852 of the Business and Professions Code is amended to read:

6852. "Collection agency" means and includes all persons engaging, directly or indirectly and as a primary or secondary object, business, or pursuit, in soliciting claims for collection or in the collection of claims owed or due or asserted to be owed or due to another.

SEC. 2. Section 6858 is added to the Business and Professions Code, to read:

6858. As used in this chapter, unless the context otherwise requires:

(a) "Director" means the Director of Consumer Affairs.

(b) "Bureau" means the Bureau of Collection and Investigative Services.

(c) "Chief" means the Chief of the Bureau of Collection and Investigative Services.

(d) "Person" includes any individual, firm, company, association, organization, partnership, or corporation.

(e) "Licensee" means a person licensed as a collection agency.

(f) "Commercial account" means any account based on a transaction other than for personal, family, or household purposes.

(g) "Assignment" means that legal title to a claim is transferred from the person owning the claim to a licensed collection agency notwithstanding the fact that the consideration paid by the licensed collection agency to the assignor is contingent upon collection of the claim.

SEC. 3. Section 6863 of the Business and Professions Code is amended to read:

6863. The director may establish and enforce such rules and regulations as may be reasonable and necessary for the examination and licensing of applicants, for the conduct of licensees and for the

general enforcement of the various provisions of this chapter for the protection of the public, and may establish and enforce implementing regulations within the subject area of Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code for licensees and applicants. The chief shall distribute to each licensee and each applicant for a license copies of this chapter and of such rules and regulations. Such rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of the Administrative Procedure Act.

Prior to proposing the adoption, amendment, or repeal of regulations pursuant to the provisions of the Administrative Procedure Act, the director shall submit a draft copy of any contemplated regulatory proposal to the Collection Agency Board for review, comment, and recommendations. The draft copy shall be submitted to the board at least 30 days prior to a regularly scheduled board meeting.

The willful violation of any rules and regulations established hereunder or the willful violation of any provision of Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code shall be sufficient ground for revocation of the license of a licensee, or other disciplinary action.

On and after July 1, 1985, the director's authority to establish any new rule or regulation is terminated.

SEC. 3.1. Section 6863.5 is added to the Business and Professions Code, to read:

6863.5. After taking action to adopt, amend, or repeal an administrative regulation but prior to the time the order of adoption is submitted to the Office of Administrative Law for review and filing, the director shall submit the order of adoption to the Collection Agency Board. The board may, by unanimous vote of its members, reject any regulation adopted by the director. Any rejected regulation shall not be filed with the Office of Administrative Law and shall have no force or effect.

The provisions of this section shall apply only to regulations adopted, amended or repealed on or after July 1, 1983.

SEC. 3.3. Section 6865 of the Business and Professions Code is amended to read:

6865. The California Advisory Board of Collection Agencies, which consists of seven members is continued in existence as the Collection Agency Board in the Bureau of Collection and Investigative Services.

SEC. 3.5. Section 6865.5 of the Business and Professions Code is amended to read:

6865.5. Of the seven members of the Collection Agency Board, three members shall have been actively engaged in business as a licensed collector or manager of a licensed collection agency in this state for a minimum period of five consecutive years immediately preceding his appointment and shall continue in good standing in such capacity during his term of office. Four members shall be public

members, who may be customers of a licensee but shall not be licensees or engage in any business or profession in which any part of the fees, compensation or revenue thereof is derived from any licensee.

SEC. 4. Section 6868.5 of the Business and Professions Code is amended to read:

6868.5. The board shall:

(a) Inquire into the needs of the collection agency business, the functions of the bureau and the matter of the policy thereof, and make such recommendations with respect thereto as, after consideration, may be deemed important and necessary for the welfare of the state, the welfare of the public, and the welfare and progress of the collection agency business.

(b) Confer and advise with the director as to how the bureau may best serve the state, the public, and the collection agency business.

(c) Consider and make appropriate recommendations on its own initiative as to changes in, or additions to or deletions of rules and regulations which the director has adopted as, after consideration, may be deemed important and necessary.

(d) Consider and make appropriate recommendations in all matters submitted to it by the director or the chief.

(e) Consider and reject rules and regulations adopted by the director as provided in Section 6863.5.

(f) Assist the director and the chief in the collection of such necessary information and data as the director or the chief may deem necessary to the proper administration of this chapter.

SEC. 5. Section 6871 of the Business and Professions Code is amended to read:

6871. In addition to any other penalty, any person, firm, corporation or voluntary association, or any officer or director of any corporation or association carrying on business as a collection agency unless he or she shall hold a valid collection agency license issued pursuant to this chapter or who carries on such business after the revocation of the license, or more than 30 days after expiration of any license is guilty of a misdemeanor and punishable by a fine not exceeding ten thousand dollars (\$10,000) or by imprisonment not exceeding one year or by both fine and imprisonment.

Any person who knowingly engages an unlicensed collection agency to conduct collections on his or her behalf is guilty of a misdemeanor.

The prosecuting officer of any county or city shall prosecute all violations of this chapter occurring within his or her jurisdiction.

SEC. 6. Section 6872 of the Business and Professions Code is amended to read:

6872. The superior court in and for the county wherein any person carries on, or attempts to carry on, business as a collection agency without first having obtained a license pursuant to this chapter, or carries on such business after the revocation or expiration of any license or during the period of suspension of any license, may,

on application of the director, or any person licensed under this act or association representing such licensees or any member of the general public, issue an injunction or other appropriate order restraining such conduct and may impose civil fines not exceeding ten thousand dollars (\$10,000).

All fines collected pursuant to this section shall be deposited in the Collection Agency Fund.

The proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that there shall be no requirement to allege facts necessary to show or tending to show lack of an adequate remedy at law or irreparable injury.

SEC. 7. Section 6880 of the Business and Professions Code is amended to read:

6880. The application shall include a financial statement of the applicant, showing the assets and liabilities of the applicant and truly reflecting that the applicant's net worth is not less than the sum of fifteen thousand dollars (\$15,000), in cash or its equivalent, of which, however, not less than five thousand dollars (\$5,000) shall be deposited in a bank, available for the use of licensee's business. The financial statement shall be sworn to by the applicant, if the applicant is an individual, or by a partner, officer, or manager in its behalf, if the applicant is a partnership, corporation or unincorporated association. The information contained in the financial statement shall be confidential and not a public record, but is admissible in evidence at any hearing held, or in any action instituted in a court of competent jurisdiction, pursuant to the provisions of this chapter.

SEC. 8. Section 6893.1 is added to the Business and Professions Code, to read:

6893.1. When considering the denial, suspension, revocation, or reinstatement of a license, registration, or certificate, the director, in evaluating the rehabilitation of the applicant, licensee, registrant, certificate holder or petitioner and his or her present eligibility for a license, registration, or certificate, shall consider the following criteria:

(a) The nature and severity of the act or crime under consideration as grounds for denial.

(b) Evidence of any act committed subsequent to the act or crime under consideration as grounds for denial which also could be considered as grounds for denial under Section 480.

(c) The time that has elapsed since commission of the act or crime referred to in subdivision (a) or (b).

(d) The extent to which the applicant has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant.

(e) Evidence, if any, of any rehabilitation submitted by the applicant.

SEC. 9. Section 6893.2 is added to the Business and Professions Code, to read:

6893.2. An applicant is not eligible for examination until he or she has filed a complete application accompanied by the appropriate fee. Complete applications must be filed in person at or mailed to the bureau's Sacramento office not later than 20 days prior to the next scheduled examination date. An applicant who fails to file within the above time period may, in the bureau's discretion, be scheduled to take the following scheduled examination.

SEC. 10. Section 6893.3 is added to the Business and Professions Code, to read:

6893.3. An applicant who fails to pass the examination or who fails to appear for the examination after proper notification by the bureau shall not be permitted to take any subsequent examination unless he or she has duly filed a completed application for reexamination, accompanied by the appropriate fee, for each such subsequent examination. This section shall not apply to an applicant who has requested a rescheduled examination date within seven days after receipt of the original scheduling notice.

SEC. 11. Section 6893.4 is added to the Business and Professions Code, to read:

6893.4. If an applicant fails to complete his or her application within one year after it has been filed, or fails to take and pass the examination within a one-year period after becoming eligible therefor, the application shall be deemed abandoned. Any application submitted subsequent to the abandonment of a former application shall be treated as a new application and must be filed in accordance with Section 6893.2.

SEC. 12. Section 6893.5 is added to the Business and Professions Code, to read:

6893.5. An application for examination shall be approved if the applicant has done the following:

(a) Filed an application for a qualification certificate and paid the application fee.

(b) Met all the requirements of Section 6886.

(c) Graduated from a four-year high school, or is possessed of the equivalent of a four-year high school education in point of intellectual competency and achievement as evidenced by either a General Education Development Certificate or completion of formal courses of instruction in postsecondary school satisfactory to the chief.

SEC. 13. Section 6893.6 is added to the Business and Professions Code, to read:

6893.6. The examination shall be of sufficient length and scope to test the applicant's knowledge as it applies to the daily operation of a collection agency on the following:

(a) Collection ethics and practices.

(b) Bookkeeping.

(c) Business law and laws governing claims assigned for collection.

(d) Administrative and managerial ability.



(e) Collection Agency Act rules and regulations, Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code, and the Federal Fair Debt Collection Practices Act.

SEC. 14. Section 6894.7 of the Business and Professions Code is amended to read:

6894.7. After a hearing the director may refuse to register an employee, or may suspend or revoke a previous registration, if the individual has committed any act which would justify refusal of permission to take the collection agency examination and to issue a qualification certificate under Section 6886.1.

If the director determines that it is in the public interest to grant probationary registration to a person whose application for registration is subject to denial under this section, he or she may register such person on terms and conditions sufficient in his or her judgment to protect the public interest. The director may suspend or revoke a probationary registration if, after a hearing, he or she determines that the individual has violated any of the terms and conditions of registration or any provision of this chapter or of the rules and regulations adopted thereunder. The granting of a probationary registration shall not in any way restrict the director's authority under this chapter to refuse to grant permission to take the collection agency examination, to issue a qualification certificate, or to issue a license.

SEC. 15. Section 6894.15 is added to the Business and Professions Code, to read:

6894.15. The person deemed to be actively in charge of an office shall be the holder of a qualification certificate, which certificate shall be prominently displayed below the agency license. The person shall spend over 50 percent of his or her time in the supervision of the fiscal and administrative functions of the office. The person shall share equally with the licensee the responsibility for the conduct of the business and the personnel of the licensed activity.

SEC. 16. Section 6894.16 is added to the Business and Professions Code, to read:

6894.16. Whenever notice is given pursuant to Section 6922 that a person actively in charge of a licensed office has ceased to be in charge thereof, the license for the office shall remain in force for 60 days after the notice is given. The chief may extend the 60-day period for an additional period not to exceed one year in any case in which he or she determines that the facts or circumstances justify the extension. If a qualified person is not then actively in charge of the office, the license shall be ipso facto suspended.

SEC. 17. Section 6894.17 is added to the Business and Professions Code, to read:

6894.17. The exemption from registration of employees who are engaged exclusively in sales or stenographic, typing, filing, or other clerical activities, provided in Section 6894.6 shall not include persons whose duties include accounting for receipts or disbursements or trust moneys, preparation of bank deposits or reconciliations, or

other functions of responsibility for the financial transactions of the licensee.

SEC. 18. Section 6894.18 is added to the Business and Professions Code, to read:

6894.18. After any license has been revoked or has expired, the licensee shall not sell or assign any claim or account in his or her possession for collection other than to return or reassign the uncollected accounts to the customers or their order, and the licensee shall not charge or receive any fee or compensation for the return or assignment of any such claim or account; and no licensee shall charge or receive any fee or commission on any moneys received or collected subsequent to the revocation or expiration of his or her license, but all such moneys shall be forthwith remitted to the owners of the accounts on which the moneys were paid. The commission of any of the above-mentioned prohibited acts shall be deemed to constitute carrying on business within the meaning of Section 6871, but this section shall not be construed to prohibit a bulk sale after termination of license of all of the business, assets and goodwill of a licensee as a unit, including the right to solicit reassignment of all uncollected accounts.

SEC. 19. Section 6915.4 of the Business and Professions Code is amended to read:

6915.4. The provisions of this article shall not preclude the director from inspecting, examining, or investigating the business, including the books, accounts, records, and files used therein by the licensee, as they pertain to the licensee's trust account and collection records only, unless there is a substantial trust deficiency, in which case, the audit may be extended to all the business records of the licensee, on such basis and on such occasion as shall be necessary to insure compliance with this chapter and any rule or regulation adopted by the director pursuant to this chapter. For the purposes of this provision, and limited to the inspection, examination, or investigation as provided above, the director shall have free access to the offices and places of business, books, accounts, records, papers, files, safes, and vaults of all licensees.

When an audit is performed as a consequence of information disclosed by the trust reconciliation statements or the bank statements filed pursuant to Section 6915.1, or if a second audit is required due to the unavailability of records required to be maintained pursuant to Section 6915 or regulations promulgated in accordance with Section 6863, the cost of the second audit shall be charged to and paid by the licensee at a rate of twenty-one dollars (\$21) per audit hour, subject to a maximum of seven hundred fifty dollars (\$750) for any one audit. "Audit hour" means one auditor working one hour.

Prior to the conduct of a second audit, the licensee shall be given written notice of the discrepancies or violations and allowed 15 days from the receipt of the notice to submit a written reply which provides information that eliminates the need for a second audit.

Upon completion of a second audit conducted pursuant to this section, the bureau shall provide written notice to the licensee of the charge due. If the licensee fails to pay the charge within 30 days after the date of the bureau's notice, his or her license shall forthwith be revoked.

No licensee shall be required to pay a charge for any inspection, examination, investigation, or audit of his or her business under this chapter except to the extent provided for by this section.

SEC. 20. Section 6926 of the Business and Professions Code is amended to read:

6926. The assignment by a customer to a licensee of an account for collection creates a fiduciary relationship between the customer and the licensee. Such relationship imposes upon every licensee and employee a fiduciary duty to the customer the same as that imposed upon a trustee.

In carrying out the purpose of such fiduciary relationship every licensee or employee is bound to act in the highest good faith toward his or her beneficiary and every licensee or employee shall not:

(a) Obtain any advantage over the beneficiary by the slightest misrepresentation, concealment, threat, or adverse pressure of any kind.

(b) Use or deal with the trust property for his or her own profit, other than normal interest, or for any other purpose unconnected with the trust, in any manner. The licensee shall pay to the customer the bank interest earned on any funds held by the licensee for more than 60 days which accrues after the 60th day.

(c) Use the influence which his or her position gives him or her to obtain any advantage from his or her beneficiary.

(d) Willfully mingle the trust property with his or her own so as to constitute himself or herself in appearance as its absolute owner.

All transactions between a licensee or employee and the beneficiary during the existence of the trust, or while the influence acquired by the trustee remains, by which he or she obtains any advantage from his or her beneficiary, are presumed to be entered into by the latter without sufficient consideration, and under undue influence.

Any licensee or employee who uses or disposes of the trust property contrary to the provisions of this chapter or the administrative rules established thereunder may at the option of the beneficiary be required to account for all profits so made, or to pay the value of its use, and if he or she has disposed thereof to replace it, with its fruits, or to account for its proceeds, with interest.

A violation of any of the above provisions by a licensee or employee constitutes grounds for the institution of disciplinary proceedings and revocation of a license or other disciplinary action.

SEC. 21. Section 6926.1 is added to the Business and Professions Code, to read:

6926.1. Any terms, rates and conditions set forth in any written agreement between a licensee and his or her customer by which

claims are assigned for collection shall be specific, intelligible and unambiguous. In the absence of a written agreement the interpretation of the customer shall be accepted, unless the previous conduct of the parties evidences a contrary mutual understanding.

SEC. 22. Section 6926.2 is added to the Business and Professions Code, to read:

6926.2. No claim shall be compromised so as to yield to a customer less than his or her agreed interest in the assigned balance unless the customer shall authorize the compromise. All moneys collected on a compromised claim, excepting court costs advanced, shall be disclosed to the customer in writing.

SEC. 23. Section 6926.3 is added to the Business and Professions Code, to read:

6926.3. (a) In the absence of any written agreement, any claim may be withdrawn, without charge, after six months from date of assignment on 60 days' prior written demand, provided the claim is not in the process of collection at the time of demand. A claim is deemed to be in the process of collection within the meaning of this rule if any of the following apply:

(1) Within six months immediately preceding the demand for withdrawal a payment has been received thereon by either the customer or licensee.

(2) The licensee has obtained a written promise of payment which is legally enforceable.

(3) Suit filed thereon by or on behalf of the licensee is pending or has been reduced to judgment.

(4) The claim has been forwarded out of state for collection.

(5) Payment is assured because of an ascertained future event, such as payment of dividends in a bankruptcy proceeding, probate of an estate, assignment for benefit of creditors, or similar events, provided the licensee has diligently complied with all requirements necessary to insure payment of claim upon the happening of that event.

(b) The licensee may, as a condition to withdrawal, require by registered or certified mail that the customer furnish a signed statement to the effect the customer has not received on account of such claim any payment which has not previously been reported and accounted for and that no arrangement has been made with the debtor directly for the payment or settlement of such claim.

(c) If a licensee fails to render an accounting or make remittance to a customer within the time and in the manner provided in this chapter, the customer may withdraw the claim and shall not be liable for payment of any commission, charge, fee, court costs or attorneys' fees relating to such claim. Within 30 days after receipt of written notice from the customer of such withdrawal, the licensee shall return the claim. The provisions of this subdivision apply to every claim assigned to a licensee for collection, whether or not that claim is in the process of collection, and notwithstanding any provision to the contrary in any agreement between the licensee and the

customer.

(d) Upon the withdrawal of a claim, the licensee shall return to the customer all things to which the customer is legally entitled.

(e) In the event a customer shall make written demand upon a licensee, at least 60 days before the cause of action on a claim assigned for collection or any obligation substituted therefor becomes barred by the statute of limitations, to require the licensee to file suit on that claim or obligation and offers to advance and pay the court costs incident to the filing of the suit, and the licensee shall fail or refuse to cause such suit to be filed at least 30 days before such cause of action becomes barred, or if the licensee fails to inform the assignee at least 30 days prior to the time upon which the statute of limitations will be effective against the assigned account, then the customer shall have the right to immediate release and return of the claim or obligation without further demand or notice and without charge notwithstanding any term or assignment or that claim or obligation may then be in the process of collection.

SEC. 24. Section 6926.4 is added to the Business and Professions Code, to read:

6926.4. (a) Within 60 days after any payment is received on any claim or account, the licensee shall render an itemized statement of account to the customer and remit therewith all money then due the customer; however, upon specific written request signed by the customer, the remittances may be made at other times not to exceed six months after receipt of the payment. After court costs are recovered on any claim or group of claims against a debtor, moneys shall be first applied to the reduction of principal, unless another priority has been authorized in writing. In the absence of a writing executed by the customer, and in the event of a dispute with the customer, the version or understanding of the customer relating thereto shall be accepted and deemed to be true and correct unless the previous conduct of the parties evidences a mutual understanding and agreement to the contrary.

(b) If any customer fails to advise a licensee, in writing or orally, of all payments or credits paid directly to the customer on any claim or account, within 30 days after receipt, the licensee may make written demand therefor by certified mail with return receipt requested. The licensee shall not be obliged to make any further remittances to the customer until the customer has rendered the statement. The failure or refusal of a customer to render the statement shall not relieve the licensee of the obligation to render an itemized statement of account.

SEC. 25. Section 6926.5 is added to the Business and Professions Code, to read:

6926.5. Within 60 days after an overpayment of one dollar (\$1) or more on any claim is received from a debtor or it is determined that a refund of one dollar (\$1) or more is due a debtor on any claim that has been paid, the licensee shall account for and remit to the debtor the money due him or her. The money shall be paid from the

licensee's trust account. Money due a debtor for an overpayment or a credit on a debt may not be offset against any other obligation owed by the debtor unless the debtor has so authorized in writing.

SEC. 26. Section 6926.6 is added to the Business and Professions Code, to read:

6926.6. (a) Each licensed office shall maintain a current accounting system which shall at all times show the moneys due and owing to customers as well as the funds in the trust bank account available for remittance to customers.

(b) Books of accounts and records shall be maintained at the licensee's California address of record and shall show and be subject to all of the following:

(1) A cash receipts journal which shall show each collection made, the allocation of the collection, and shall be totalled monthly.

(2) A cash disbursement journal which shall show each check written on the trust bank account.

(3) A general journal which shall reflect all adjustments to the control accounts.

(4) A general ledger, which shall be posted monthly with respect to all accounts controlling the fiduciary relationship with customers. Such postings shall occur within 90 days after the close of each business month.

(5) A customer listing record which shall show detail as to name of customer, date of assignment, name of the debtor, and the amount assigned.

(6) A customer ledger record which shall set forth the true financial relationship of the licensee with the customer, and shall reflect in full detail all collections made on behalf of the customer, whether paid to licensee or customer, including remittances made to the particular customer.

(7) A debtor account record which shall set forth the amount assigned, additions to account legally chargeable to the debtor, and allocation of payments credited to the account. Such records may be filed alphabetically or numerically with an alphabetical cross index.

(c) The trust bank account shall be reconciled each month with the balance shown in the customer trust account by accounting for checks not yet presented and outstanding, bank deposits not shown on the bank statement, and other adjustments required.

(d) All records and accounts shall be maintained for a period of three years, except that debtor account records of accounts which have been canceled or paid in full may be maintained at an address other than the licensed address of record, provided that such records can be returned to the licensed address of record within five working days of bureau demand.

SEC. 27. Section 6926.7 is added to the Business and Professions Code, to read:

6926.7. (a) The acceptance of claims by collection agencies shall be limited to debts arising out of contracts, express or implied, or other claims reduced to judgment. In the pursuit of collection, an

account may be referred to an attorney for his or her evaluation and possible legal action. On the date when such an account is so referred, the collection agency shall indicate the date of referral and the name of the attorney on the debtor account record in a clear and concise manner.

(b) All clerical work delegated by the attorney of record shall be under the direction and control of that attorney. Should an attorney delegate clerical work to a person on the payroll of a collection agency, said delegation shall be in writing and shall specifically set forth the work to be done.

(c) If litigation is initiated by the attorney, there shall be no further contact with the debtor or his attorney except by those individuals who have been specifically authorized and delegated by the agency's attorney in writing.

SEC. 28. Section 6926.8 is added to the Business and Professions Code, to read:

6926.8. (a) Each licensed office shall at all times maintain a separate bank account, savings account or savings certificate in which all moneys received on assigned claims shall be deposited, except that negotiable instruments received may be forwarded directly to a customer if such procedure is provided for by a writing executed by the customer. Moneys received shall be deposited within five days after posting to the books of account.

(b) The bank account, savings account or savings certificate shall bear a title sufficient to designate it as a trust account. There shall be sufficient funds in the trust account at all times to pay all moneys owing to all customers. No disbursement shall be made from such account except the following:

- (1) To customers.
- (2) To pay costs advanced by customers.
- (3) To licensee's attorneys.
- (4) To refund overpayments.
- (5) To the licensee, such moneys as may accrue to licensee.

(c) Money belonging to a customer or a debtor who cannot be located may be deposited in a separate account in the name of the licensee followed by a designation which shall clearly label it as unclaimed funds. Moneys on deposit in the account may not be reported in the financial statements required under Section 6915. Each licensee shall maintain as to each accrual to the account a clear and complete record of the accounts. If the money is not claimed by the customer or the debtor within seven years following its collection by the licensee, and the circumstances are such that it is presumed to be abandoned or unclaimed property under the provisions of Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure, the licensee shall report to, and shall pay or deliver the money and any income or increment thereon to the Controller at the time and in the manner therein provided.

SEC. 29. Section 6926.9 is added to the Business and Professions Code, to read:

6926.9. Notwithstanding any other provision of law, any person may use an alias in the collection of claims; however, any person using an alias in the collection of claims for a licensee, shall register the alias with the licensee and with the bureau. No person shall have more than one alias. The alias shall be the property of the individual. No change of alias shall be authorized unless good cause is shown.

SEC. 30. Section 6926.10 is added to the Business and Professions Code, to read:

6926.10. If any licensee accepts for collection a claim or account against a debtor who is also a customer of the licensee, the licensee shall not set off or apply any moneys collected for or belonging to the debtor against the claim or account, nor shall he or she withhold payment of any moneys due to the debtor, unless the debtor, with knowledge that the claim or account owed has been assigned to the licensee for collection, expressly consents in writing to the setoff or withholding of payment.

SEC. 31. Section 6926.11 is added to the Business and Professions Code, to read:

6926.11. For the purposes of denial, suspension, or revocation of a collection agency license, qualification certification, or registration of a collection agency employee pursuant to Division 1.5 (commencing with Section 475), a crime or act shall be considered to be substantially related to the qualifications, functions, or duties of a collection agency licensee, qualification certificate holder, or collection agency employee if to a substantial degree it evidences present or potential unfitness of a licensee, certificate holder, or registrant to perform the functions authorized by his or her license, certificate, or registration in a manner consistent with the public health, safety, or welfare. Such crimes or acts shall include, but not be limited to, those involving the following:

- (a) Fiscal dishonesty.
- (b) Conviction of illegally carrying or possessing a dangerous weapon.
- (c) Any violation of the provisions of Chapter 8 (commencing with Section 6850).
- (d) Any acts or crimes specified in Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code.
- (e) Unfair, misleading, or illegal means of collection.

SEC. 32. Section 6927 of the Business and Professions Code is repealed.

SEC. 33. Section 6947 of the Business and Professions Code is amended to read:

6947. Nothing in this chapter shall be deemed to authorize a collection agency licensee while operating as a collection agency to perform any act or acts, either directly or indirectly, constituting the practice of law unless the licensee is an attorney authorized to practice law.

No suit may be instituted on behalf of a collection agency licensee in any court on any claim assigned to it in its own name as the real



party in interest unless it appears by a duly authorized and licensed attorney at law.

A collection agency may not appear as an assignee party in any proceeding involving claim and delivery, replevin, or other possessory action, action to foreclose a chattel mortgage, mechanic's lien, materialman's lien, or any other lien. Nothing herein contained shall prohibit a licensee from making an oral or written demand for the return or surrender of personal property or from having property attached in an action at law pursuant to the provisions of Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure, or from enforcing a judgment carrying it into execution.

No licensee or employee shall:

(a) Directly or indirectly aid or abet any unlicensed person to engage in business as a collection agency or to receive compensation therefrom.

(b) Engage in any practice or act prohibited by Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code or the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.).

(c) Print, publish or otherwise prepare for distribution for the use of, or sell or offer to sell or furnish or offer to furnish to, any person any system of collection letters, demand forms or other printed material upon his stationery, or upon stationery upon which the licensee's name appears in such manner as to indicate that a demand is being made by the licensee for the payment of any sum or sums due or asserted to be due, where such forms constituting such message are to be sold or furnished to any person to be used by such person at any address different from the address of the licensee as shown on the face of the license.

(d) Engage in any unfair or misleading practices or resort to any illegal means or methods of collection.

SEC. 34. Section 6947.1 of the Business and Professions Code is repealed.

SEC. 35. Section 4 of Chapter 772 of the Statutes of 1978 is amended to read:

Sec. 4. Section 1 of this act shall become operative on June 30, 1986, unless a later enacted statute which is chaptered on or before that date deletes or extends such date.

SEC. 36. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Collection Agency Act will be repealed July 1, 1983, if this act is not enacted prior to that date. It is vital that the Collection Agency Act be continued to assure adequate regulation of the collection agency and investigative services industries, and to thereby preserve important consumer protections in the law. It is therefore necessary that this act take immediate effect.

## CHAPTER 171

An act relating to school districts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. The sum of eighty thousand dollars (\$80,000) is hereby appropriated from the General Fund to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to the Westwood Unified School District. The appropriation made by this section shall be deemed to be an apportionment made pursuant to Section 41310 of the Education Code. The Superintendent of Public Instruction shall enter into a contract with the Westwood Unified School District for allocation and repayment of the appropriation made by this section pursuant to the provisions of subdivisions (a) to (d), inclusive, of Section 41320 and Sections 41321 to 41324, inclusive, of the Education Code.

SEC. 2. The sum of ninety six thousand dollars (\$96,000) is hereby appropriated from the General Fund to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to the Val Verde Elementary School District of Riverside County, for the 1982-83 fiscal year for any purpose for which money in the district general fund may be used.

The appropriation made by this section shall be deemed an apportionment made pursuant to Section 41310 of the Education Code and the provisions of Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code shall be applicable.

SEC. 3. Notwithstanding any other provision of law the appropriation made by Sections 1 and 2 shall be repaid as follows:

For each of the fiscal years 1983-84 to 1987-88, inclusive, the Superintendent of Public Instruction shall deduct from the apportionments made to the Westwood Unified School District and the Val Verde Elementary School District an amount equal to one-fifth of the amount actually allocated to each district pursuant to this act, together with amounts representing interest at a rate based on the most current investment rate of the Pooled Money Investment Account as of the date of disbursement of funds to the district.

SEC. 4. Due to the unique circumstances concerning the Westwood Unified School District and the Val Verde Elementary School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 5. (a) The sum of four hundred fifty thousand dollars (\$450,000) is hereby appropriated from the Special Account for Capital Outlay to Section A of the State School Fund for allocation by the Superintendent of Public Instruction as a loan to the South Whittier School District.

(b) For each of the fiscal years 1984–85, 1985–86, and 1986–87, the Superintendent of Public Instruction shall deduct from the apportionments made to the South Whittier School District the sum of one hundred fifty thousand dollars (\$150,000).

(c) Due to unique circumstances concerning the South Whittier School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Westwood Unified School District, the South Whittier School District, and the Val Verde Elementary School District receive an emergency apportionment during the 1982–83 fiscal year, it is necessary that this act take effect immediately.

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## CHAPTER 172

An act to amend Sections 6852, 6863, and 6956 of the Business and Professions Code and to add Chapter 1.5 (commencing with Section 1249.5) to Division 2 of the Health and Safety Code, relating to collections, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6852 of the Business and Profession Codes is amended to read:

6852. "Collection agency" means and includes all persons engaging, directly or indirectly and as a primary or secondary object, business, or pursuit, in soliciting claims for collection or in the collection of claims owed or due or asserted to be owed or due to another whether the collection effort is directed at the primary debtor or some secondary source of payment.

SEC. 2. Section 6956 of the Business and Professions Code is amended to read:

6956. The director shall fix, charge, and collect the following fees:

(1) An original license fee, to a maximum of five hundred dollars (\$500).

(2) A license continuation fee, to a maximum of three hundred ninety dollars (\$390).

(3) A duplicate license fee, to a maximum of thirty dollars (\$30).

(4) A temporary license fee, to a maximum of sixty dollars (\$60).

(5) A delinquency fee, to a maximum of fifty dollars (\$50), notwithstanding the provisions of Section 163.5.

(6) An examination fee, to a maximum of one hundred dollars (\$100).

(7) A qualification certificate application fee, to a maximum of one hundred dollars (\$100).

(8) A qualification certificate continuation fee, to a maximum of one hundred dollars (\$100).

(9) A reinstatement fee to a maximum of the amount of the annual continuation fee plus a penalty of 50 percent thereof, notwithstanding the provisions of Section 163.5.

(10) A reinstatement fee to a maximum of the amount of the qualification certificate continuation fee plus a penalty of 50 percent thereof, notwithstanding the provisions of Section 163.5.

(11) An employee registration fee, to a maximum of twenty-five dollars (\$25).

(12) An employee registration continuation fee, to a maximum of twenty-five dollars (\$25).

(13) A registration continuation delinquency fee to a maximum of the amount of the registration continuation fee plus a penalty of 50 percent thereof, notwithstanding the provisions of Section 163.5.

(14) The director shall furnish one copy of any issue or edition of the licensing law and rules and regulations to any applicant or licensee without charge; and shall charge and collect a fee of three dollars (\$3) plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person.

SEC. 3. Section 6863 of the Business and Professions Code, as amended by Senate Bill 2 of the 1983-84 Regular Session, is amended to read:

6863. The director may establish and enforce such rules and regulations as may be reasonable and necessary for the examination and licensing of applicants, for the conduct of licensees and for the general enforcement of the various provisions of this chapter for the protection of the public, and may establish and enforce implementing regulations within the subject area of Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code for licensees and applicants. The chief shall distribute to each licensee and each applicant for a license copies of this chapter and of such rules and regulations. Such rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of the Administrative Procedure Act.

Prior to proposing the adoption, amendment, or repeal of regulations pursuant to the provisions of the Administrative Procedure Act, the director shall submit a draft copy of any

contemplated regulatory proposal to the Collection Agency Board for review, comment, and recommendations. The draft copy shall be submitted to the board at least 30 days prior to a regularly scheduled board meeting.

The willful violation of any rules and regulations established hereunder or the willful violation of any provision of Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code shall be sufficient ground for revocation of the license of a licensee, or other disciplinary action.

SEC. 4. Chapter 1.5 (commencing with Section 1249.5) is added to Division 2 of the Health and Safety Code, to read:

#### CHAPTER 1.5. MEDICAL PROVIDER CONSULTANTS

1249.5. As used in this chapter:

(a) "Chief" means the Chief of the Bureau of Collection and Investigative Services.

(b) "Director" means the Director of Consumer Affairs.

(c) "Provider of medical services" means any person licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, or licensed pursuant to the Osteopathic Initiative Act or the Chiropractic Initiative Act or licensed pursuant to Chapter 2.5 (commencing with Section 1440) of Division 2 of this code, and any clinic, health dispensary, or health facility licensed pursuant to this division.

1249.51. Upon receiving and filing an application the director shall grant and issue a medical provider consultant license.

So long as the activities of a medical provider consultant licensee are limited to authorized activities set forth in subdivision (b) of Section 1249.52, medical provider consultants shall not be required to be licensed pursuant to Chapter 8 (commencing with Section 6850) of Division 3 of the Business and Professions Code.

Application for a license shall be made in writing to, and filed with, the chief in such form as may be required by the chief and shall be accompanied by an original license fee prescribed in this section.

Every application for a license shall state, among other things that may be required by the chief, the name of the applicant, with the name under which the applicant will do business, and the address of the principal place of business.

The original license fee shall be five hundred dollars (\$500). The license shall be renewed biennially upon application and payment of the renewal fee of seven hundred eighty dollars (\$780).

All fees shall be deposited in the Collection Agency Fund.

1249.52. (a) A provider of medical services may employ, hire, or contract with a licensed medical provider consultant who may function as an agent or representative for providing manpower and technology to assist the provider in the areas referred to in subdivision (b).

(b) A medical provider consultant may contact patients,

insurance companies, governmental representatives, and other third parties for the purpose of establishing partial or complete coverage by a governmental or nongovernmental source and may consult with a health care provider in the area of cost control and cost control maintenance. A medical provider consultant may assist the provider of medical services with any class of accounts, except that a medical provider consultant may not accept assignments on any provider's accounts receivable, or collect for deposit any moneys to be held in trust for the provider, or use any name other than the name of the provider when assisting the provider in bringing accounts receivable to a conclusion.

(c) Providers of medical services or their employees whose responsibilities include, in whole or in part, the submission and followup of billing from the providers' patients or other payers shall not be required to be licensed pursuant to this chapter.

1249.53. The license program shall be administered by the Bureau of Collection and Investigative Services. The director may deny, suspend, or revoke a license after a hearing for fraud, dishonesty, misrepresentation, or any act or omission inconsistent with the faithful discharge of the duties or obligation of the license holder.

All hearings conducted under this chapter shall be in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that Collection Agency Act fees not revert to pre-1979 levels on June 30, 1983, it is necessary that this act go into immediate effect.

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## CHAPTER 173

An act to amend Section 14087.2 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1983. Filed with  
Secretary of State June 30, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14087.2 of the Welfare and Institutions Code is amended to read:

14087.2. It is the intent of the Legislature that for the 1982-83 and 1983-84 fiscal years, children's hospitals and charitable research hospitals as defined in Section 10178 of the Insurance Code, need not

contract under the provisions of this article. Services provided by such hospitals shall be reimbursed according to the state plan. Children's hospitals are defined as those hospitals where 30 percent of the infants and children served by the single institution qualify for Med-Cal payment systems and the institution serves primarily children.

If such a hospital elects to contract pursuant to this article in the 1982-83 or 1983-84 fiscal year, the negotiator shall give consideration to the special services provided in such hospitals, such as those services provided to children. The California Medical Assistance Commission shall continue to extend such consideration to such hospitals following the 1983-84 fiscal year.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effectuate necessary changes in the Medi-Cal program as soon as possible, it is essential that this act go into immediate effect.

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## CHAPTER 174

An act to amend Section 6534.2 of, to add Section 6541.6 to, and to repeal Section 6534.5 of, the Business and Professions Code, relating to barbers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1983 Filed with  
Secretary of State July 11, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6534.2 of the Business and Professions Code is amended to read:

6534.2. Upon receipt of the application the board shall require the applicant, if an individual, or a member, partner, or officer thereof if the applicant is a firm, partnership, or corporation, to appear personally before the board and submit information in such form as the board may by regulation prescribe showing:

(1) The location of the proposed college and its physical facilities and equipment, (2) the proposed maximum number of students to be trained at any one time and the number of instructors to be provided, (3) the nature and terms of the applicant's right of possession of the proposed premises, whether by lease, ownership or otherwise, (4) the financial ability of the applicant to operate the college in accordance with the requirements of this chapter and the regulations of the board, (5) a copy of the school's curriculum including course outlines, lesson plans and method of student evaluation, and (6) such other information as the board considers

necessary.

SEC. 2. Section 6534.5 of the Business and Professions Code is repealed.

SEC. 3. Section 6541.6 is added to the Business and Professions Code, to read:

6541.6. A barber college which has been licensed in this state for less than two years shall be required to post with the board a bond issued by an admitted surety in the amount of ten thousand dollars (\$10,000). The bond shall be in favor of the Student Security Trust Fund. The bond shall remain in effect until the college completes two years of licensed operations.

In addition to the bonding requirement set forth above, every college shall be required to comply with the requirements of this article regarding the payment of assessments for support of the Student Security Trust Fund.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To prevent undue hardship to those barber colleges which are prevented from opening as a result of restrictions placed on them by provisions of the Business and Professions Code, it is necessary that this act take effect immediately.

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## CHAPTER 175

An act to amend Section 1095 of the Unemployment Insurance Code, relating to unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1983 Filed with  
Secretary of State July 11, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in his or her possession to the extent necessary for any of the following purposes:

- (a) To properly present a claim for benefits.
- (b) To acquaint a worker or his or her authorized agent with his or her existing or prospective right to benefits.
- (c) To furnish an employer or his or her authorized agent with information to enable him or her to fully discharge his or her obligations or safeguard his or her rights under this division or Division 3 (commencing with Section 9000). This subdivision as it relates to Division 3 (commencing with Section 9000) shall apply



only to subdivision (j) of this section.

(d) To enable an employer to receive a reduction in contribution rate.

(e) To enable the Director of Social Services or his or her representatives or the State Director of Health Services or his or her representatives subject to federal law to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to the Welfare and Institutions Code, and directly connected with and limited to the administration of public social services.

(f) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, where the determination is directly connected with and limited to the administration of general relief or assistance.

(g) To enable county district attorneys, or their representatives, to seek criminal, civil, or administrative remedies in connection with the unlawful application for or receipt of relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(h) To enable the director or his or her representative to carry out his or her responsibilities under this code.

(i) To enable county departments of collection or their representatives to determine entitlement to medical assistance services rendered pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code, and, when appropriate, to enable collection for the county's expenditures for these medical assistance services.

(j) To furnish an employer, or his or her authorized agent, with information including, but not limited to, the applicant's or recipient's name, social security number, address, employable skills, and job placement in order to enable him or her to fully discharge his or her obligations or safeguard his or her rights under the elements of a joint union, management, and Employment Development Department agreement as are deemed necessary to assist displaced workers to obtain new employment under the provisions of Chapter 2.9 (commencing with Section 9970) of Part 1 of Division 3 and related provisions of Division 3 (commencing with Section 9000). The information shall be limited to any information gathered under these divisions by the department and authorized for release by the labor organization which shall act as an agent for the affected workers under terms of the agreement and shall participate in defining the information release provisions.

Nothing in this section shall be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

The persistently high and long-term unemployment resulting in the need to assist unemployed individuals in the state, and to implement a triparte agreement to assist displaced workers due to plant closures.

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## CHAPTER 176

An act to amend Sections 428.50 and 625 of the Code of Civil Procedure, relating to civil procedure.

[Approved by Governor July 8, 1983 Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 428.50 of the Code of Civil Procedure is amended to read:

428.50. (a) A party shall file a cross-complaint against any of the parties who filed the complaint or cross-complaint against him or her before or at the same time as the answer to the complaint or cross-complaint.

(b) Any other cross-complaint may be filed at any time before the court has set a date for trial.

(c) A party shall obtain leave of court to file any cross-complaint except one filed within the time specified in subdivision (a) or (b). Leave may be granted in the interest of justice at any time during the course of the action.

SEC. 2. Section 625 of the Code of Civil Procedure is amended to read:

625. In all cases the court may direct the jury to find a special verdict in writing, upon all, or any of the issues, and in all cases may instruct them, if they render a general verdict, to find upon particular questions of fact, to be stated in writing, and may direct a written finding thereon. In all cases in which the issue of punitive damages is presented to the jury the court shall direct the jury to find a special verdict in writing separating punitive damages from compensatory damages. The special verdict or finding must be filed with the clerk and entered upon the minutes. Where a special finding of facts is inconsistent with the general verdict, the former controls the latter, and the court must give judgment accordingly.

## CHAPTER 177

An act to amend Sections 19616 and 19622 of the Government Code, relating to state employees.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 19616 of the Government Code is amended to read:

19616. Upon approval by the head of the state agency, the plan shall be transmitted to the Department of Finance which shall review the plan and determine whether the elements of the plan contain provisions to enable the agency and the Department of Finance to measure the performance of the organizational unit and to determine whether this performance has resulted in budget savings. The Department of Finance may limit the number of organizational units participating in the shared savings program to five or less during the first year of operation in order to evaluate results, and shall report on its evaluation of the program's effectiveness in enhancing productivity in state government to the Chairperson of the Joint Legislative Budget Committee on or before January 1, 1986.

SEC. 2. Section 19622 of the Government Code is amended to read:

19622. If the provisions of this chapter are in conflict with the provisions of a memorandum of understanding reached pursuant to the State Employer-Employee Relations Act (SEERA), commencing with Section 3512 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

This chapter shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

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CHAPTER 178

An act to amend Sections 73084.1, 73084.2, 73084.4, 73084.5, 73084.6, 73089, and 73096 of the Government Code, relating to courts.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 73084.1 of the Government Code is amended to read:

73084.1. The clerk and administrative officer of the municipal court for the Alameda Judicial District may appoint the following deputy clerks:

- (a) One chief deputy clerk.
- (b) One deputy clerk, municipal courtroom clerk.
- (c) Three deputy clerks, senior municipal court clerks.
- (d) Two deputy clerks, municipal court clerk.
- (e) Two deputy clerks, clerk II.
- (f) One deputy clerk, accounting technician.
- (g) One deputy clerk, intermittent I.

Not more than one such deputy clerk may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 2. Section 73084.2 of the Government Code is amended to read:

73084.2. The clerk and administrative officer of the municipal court for the Berkeley-Albany Judicial District may appoint the following deputy clerks:

- (a) One chief deputy clerk.
- (b) Three deputy clerks, supervising municipal court clerk II.
- (c) Four deputy clerks, municipal courtroom clerk.
- (d) Four deputy clerks, senior municipal court clerk.
- (e) Eight deputy clerks, municipal court clerk.
- (f) Six deputy clerks, clerk II.
- (g) One deputy clerk, secretary II.
- (h) One deputy clerk, accounting technician.
- (i) One deputy clerk, account clerk II.
- (j) One deputy clerk, account clerk I.
- (k) Two deputy clerks, data input clerk.

Not more than three such deputy clerks may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 3. Section 73084.4 of the Government Code is amended to read:

73084.4. The clerk and administrative officer of the municipal court for the San Leandro-Hayward Judicial District may appoint the following deputy clerks:

- (a) One chief deputy clerk.
- (b) Three deputy clerks, division chiefs. The clerk and administrative officer may transfer such division chiefs from one division to another regardless of any resulting change in salary as set forth in Section 73086.
- (c) Seven deputy clerks, municipal courtroom clerk.
- (d) Three deputy clerks, supervising municipal court clerk I.
- (e) One deputy clerk, senior municipal court clerk.

- (f) Thirty deputy clerks, municipal court clerk.
- (g) Three deputy clerks, clerk II.
- (h) One deputy clerk, secretary I.
- (i) One deputy clerk, supervising accountant I.
- (j) One deputy clerk, account clerk II.
- (k) Two deputy clerks, data input clerk.
- (l) One deputy clerk, staff services assistant.

Not more than three such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 4. Section 73084.5 of the Government Code is amended to read:

73084.5. The clerk and administrative officer of the municipal court for the Fremont-Newark-Union City Judicial District may appoint the following deputy clerks:

- (a) One chief deputy clerk.
- (b) Four deputy clerks, municipal courtroom clerk.
- (c) Three deputy clerks, supervising municipal court clerk I.
- (d) Two deputy clerks, senior municipal court clerk.
- (e) Thirteen deputy clerks, municipal court clerk.
- (f) Ten deputy clerks, clerk II.
- (g) One deputy clerk, secretary I.
- (h) One deputy clerk, accounting technician.
- (i) One deputy clerk, account clerk II.
- (j) One deputy clerk, account clerk I.
- (k) One deputy clerk, intermittent I.

Not more than three such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 5. Section 73084.6 of the Government Code is amended to read:

73084.6. The clerk and administrative officer of the municipal court for the Livermore-Pleasanton Judicial District may appoint the following deputy clerks:

- (a) One chief deputy clerk.
- (b) Three deputy clerks, municipal courtroom clerk.
- (c) Three deputy clerks, supervising municipal court clerk I.
- (d) Two deputy clerks, senior municipal court clerk.
- (e) Seven deputy clerks, municipal court clerk.
- (f) One deputy clerk, accounting technician.

Not more than one such deputy clerk may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 6. Section 73089 of the Government Code is amended to read:

73089. With the approval of the board of supervisors, judges of each municipal court concerned within Alameda County may establish such additional titles and pay rates as are required and may appoint such additional deputy clerks, officers, assistants and other

employees as deemed necessary for the powers conferred by law upon the court and its members. Rates of compensation of the clerk and administrative officers, deputy clerks, officers, assistants and other employees may be adjusted by joint action and approval of the board of supervisors and the judges in each respective municipal court within the county.

If the board of supervisors provides by ordinance or resolution for any increase in the number or rate of compensation of any municipal court personnel pursuant to this section, such increase shall be effective only until January 1, 1986, and shall be effective at the same time and in the same manner as such increases for Alameda County employees generally.

SEC. 7. Section 73096 of the Government Code is amended to read:

73096. Official reporters of municipal courts in Alameda County, in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in such court, shall receive:

(a) One hundred eight dollars and thirty cents (\$108.30) a day for the days they actually are on duty under order of the court; or

(b) A minimum payment of fifty-four dollars and fifteen cents (\$54.15) for serving four hours or less a day, plus an hourly rate of thirteen dollars and fifty-four cents (\$13.54) for each hour served in excess of four hours, up to the maximum amount specified in subdivision (a). However, not more than three official reporters in a judicial district having three or more judges shall each receive an annual salary, vacation leave and sick leave, in the same amounts as the official reporters of the Superior Court in Alameda County.

Rates of compensation of regular official reporters and official reporters pro tempore may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the court, provided, however, that any changes in compensation which are made pursuant to this section shall be on an interim basis and shall remain in effect only until January 1, 1986, unless ratified by statute by the Legislature prior to that date.

SEC. 8. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

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## CHAPTER 179

An act to amend Section 69993 of the Government Code, relating to retirement.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 69993 of the Government Code is amended to read:

69993. In San Joaquin County, the amount of compensation for each official reporter of the superior court shall be deemed, for retirement purposes, to include the total of all per diem and transcription fees paid by the county in all matters to all such reporters, divided by the number of such reporters; provided, that such amount does not exceed the following monthly amounts:

FROM	TO	MONTHLY AMOUNT
January 1, 1984	December 31, 1984	\$ 1330
January 1, 1985	December 31, 1985	1440
January 1, 1986	December 31, 1986	1550
January 1, 1987	December 31, 1987	1660
January 1, 1988	December 31, 1988	1770
January 1, 1989	December 31, 1989	1880
January 1, 1990	December 31, 1990	1990
January 1, 1991	December 31, 1991	2100
January 1, 1992 and thereafter		2200

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

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## CHAPTER 180

An act to amend Section 2808 of the Penal Code, relating to prisons and prisoners.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2808 of the Penal Code is amended to read:

2808. The board shall, in the exercise of its duties, have all the powers and do all the things which the board of directors of a private corporation would do, except as specifically limited in this article, including, but not limited to, the following:

(a) To enter into contracts and leases, execute leases, pledge the equipment, inventory and supplies under the control of the authority and the anticipated future receipts of any enterprise under the jurisdiction of the authority as collateral for loans, and execute other necessary instruments and documents.

(b) To assure that all funds received by the authority are kept in commercial accounts according to standard accounting practices.

(c) To arrange for an independent annual audit.

(d) To review and approve the annual budget for the authority, in order to assure that the solvency of the Prison Industries Revolving Fund is maintained.

(e) To appoint a general manager to serve as the chief administrative officer of the authority. The person so appointed shall serve at the pleasure of the chairman. The general manager shall have wide and successful experience with a productive enterprise and have a demonstrated appreciation of the problems associated with prison management.

(f) To apply for and administer grants and contracts of all kinds.

(g) To establish, notwithstanding any other provision of law, procedures governing the purchase of raw materials, component parts, and any other goods and services which may be needed by the authority or in the operation of any enterprise under its jurisdiction. Such procedures shall contain provisions for appeal to the board from any action taken in connection with them.

(h) To establish, expand, diminish, or discontinue industrial, agricultural and service enterprises under its jurisdiction to enable the authority to operate as a self-supporting organization, to provide as much employment for inmates as is feasible, and to provide diversified work activities to minimize the impact on existing private industry in the state.

(i) To hold public hearings pursuant to paragraph (h) above to provide an opportunity for persons or organizations who may be affected to appear and present testimony concerning the plans and activities of the authority. The authority shall assure adequate public notice of such hearings. No new industrial, agricultural, or service enterprise which involves a gross annual production of more than fifty thousand dollars (\$50,000) shall be established unless and until a hearing concerning the enterprise has been held by the authority. The authority shall take into consideration the effect of a proposed enterprise on California industry and shall not approve the establishment of the enterprise if it would have a comprehensive and substantial adverse impact on a particular California business, enterprise, or industry.

(j) To periodically determine the prices at which activities, supplies, and services shall be sold.

(k) To report to the Legislature in writing, on or before February 1 of each year, regarding:

(1) The financial activity and condition of each enterprise under its jurisdiction.



(2) The plans of the board regarding any significant changes in existing operations.

(3) The plans of the board regarding the development of new enterprises.

(4) A breakdown, by institution, of the number of prisoners at each institution, working in enterprises under the jurisdiction of the authority, said number to indicate the number of prisoners which are not working full time.

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## CHAPTER 181

An act to amend Sections 751.7, 777, and 778 of the Financial Code, relating to banks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1983 Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 751.7 of the Financial Code is amended to read:

751.7. A commercial bank may provide real estate appraisal services and may charge a fee therefor.

SEC. 2. Section 777 of the Financial Code, as added by Chapter 1196 of the Statutes of 1982, is amended to read:

777. A commercial bank may provide management consulting advice and services and may charge a fee therefor.

SEC. 3. Section 778 of the Financial Code is amended to read:

778. (a) A commercial bank may provide electronic data-processing services and may charge a fee therefor.

(b) As used in this section, "electronic data-processing" means the process that encompasses all computerized and auxiliary automated information handling, including systems analysis and design, conversion of data, computer programming, information storage and retrieval, data transmission, requisite system controls, simulation, and all the related operator-machine interaction.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Prior to the January 1, 1983, effective date of Sections 751.7, 777, and 778 of the Financial Code, a commercial bank was not specifically prohibited to engage in the real estate appraisal business, the management consulting business, and in electronic data-processing. Section 206 of the Corporations Code provides that a corporation subject to the Banking Law may engage in any business activity which is not prohibited by statute or regulation.

The operative date of Sections 751.7, 777, and 778 of the Financial Code is delayed until the earlier of specified federal action or January 1, 1984. The delayed operative date provisions of these sections implies that these activities are prohibited until these sections become operative.

Many commercial banks are now offering real estate appraisal, management consulting, and electronic data-processing services. Unless the delayed operative date provisions in Sections 751.7, 777, and 778 of the Financial Code are repealed, confusion will exist as to whether commercial banks should be required to cease these activities until January 1, 1984, or the effective date of federal legislation or regulation. Since the adverse impact due to the uncertainty created by these sections is great while no benefits accrue to the state or the public generally, it is necessary that this act take effect immediately.

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## CHAPTER 182

An act to add Section 14165.95 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14165.95 is added to the Welfare and Institutions Code, to read:

14165.95. On or before February 1, 1984, the commission shall submit to the Legislature an evaluation of its inpatient hospital service procedure, including, but not limited to, the following:

- (a) The recommended duration of contracts.
- (b) The effect of the disclosure of executed contracts on the price levels of subsequently negotiated contracts.
- (c) The conditions under which contractors failing to secure a contract on a first bid should be allowed to rebid.
- (d) The effectiveness of contract provisions designed to ensure access to hospital services and a high quality of care.
- (e) The effect of flat per diem rates on the variety of cases treated by contract hospitals.

The evaluation provided for by this section shall be accompanied by a recommendation for any relevant legislation deemed necessary by the commission.

## CHAPTER 183

An act to amend Sections 68512 and 69141 of, and to repeal Section 69140 of the Government Code, relating to courts of appeal.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 68512 of the Government Code is amended to read:

68512. The Chairman of the Judicial Council, with the approval of the Director of Finance, may adjust the salaries of the following judicial officers by the same percent as is granted state employees of comparable salary level as a general salary increase after July 1, 1969:

(a) The Clerk of the Supreme Court whose salary is set by Section 68841.

(b) The reporter of decisions for the Supreme Court and of the courts of appeal whose salary is set by Section 68901.

SEC. 2. Section 69140 of the Government Code is repealed.

SEC. 3. Section 69141 of the Government Code is amended to read:

69141. Each court of appeal may appoint and employ during its pleasure a clerk, and such phonographic reporters, assistants, secretaries, librarians, and other employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon it and its members. Except as otherwise provided in this chapter, each such court may determine the duties and, subject to subdivision (b) of Section 19825 of the Government Code, fix and pay the compensation of all such officers and employees.

All salaries and expenses incurred under this section shall be paid from the funds appropriated for the use of such courts, when approved by order of the courts.

SEC. 4. It is the intent of the Legislature that this act shall not in any manner affect the accrued sick leave of clerks of the courts of appeal.

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CHAPTER 184

An act to amend Section 6014 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6014 of the Revenue and Taxation Code is amended to read:

6014. "Seller" includes every person engaged in the business of selling tangible personal property of a kind the gross receipts from the retail sale of which are required to be included in the measure of the sales tax.

For the purposes of this section, the phrase "tangible personal property of a kind the gross receipts from the retail sale of which are required to be included in the measure of the sales tax" includes all tangible personal property of a kind the gross receipts from the retail sale of which is, or would be, required to be included in the measure of the sales tax if sold at retail, whether or not the tangible personal property is ever sold at retail or is suitable for sale at retail.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall become operative on the first day of the first calendar quarter commencing more than 90 days after the effective date of this act.

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## CHAPTER 185

An act to amend Section 9706 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1983 Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 9706 of the Vehicle Code is amended to read:

9706. (a) Application for partial year registration in conjunction with an application for original California registration shall be made by the owner within 20 days of the date the vehicle first becomes subject to California registration. Any application for partial year registration submitted after that 20-day period shall not be registered for a partial year and the vehicle shall be subject to payment of the fees for the entire registration year. In addition to the fee for the registration year, a penalty as specified in Section 9554 shall be added to the fee for registration.

(b) Any application to renew registration for a part of the remainder of the registration year or for the entire remainder of the registration year shall be made prior to midnight of the expiration date of the last issued registration certificate. Application shall be made upon presentation of the last issued registration card or of a

potential registration issued by the department for use at the time of renewal and by payment of the proper partial year fees, or, if renewal is for the remainder of the registration year, by payment of the annual fee provided by Section 9400, as reduced pursuant to Section 9407. Any application submitted after the expiration date of the last issued registration certificate which is not accompanied by a certificate of nonoperation as provided in Section 9708 shall be refused partial year registration and shall be subject to payment of the full fees for the registration year or remainder thereof. In addition to the fee for the registration year or remainder thereof, a penalty as specified in Section 9554 shall be added to the fee for renewal of registration.

(c) In order to obtain partial year registration or renewal of partial year registration for a period of less than three months, application shall be made prior to the date the vehicle is first operated, moved, or left standing on the highways. Partial year registration or renewal of partial year registration may be obtained for a minimum of three months when application is made after, but within 20 days of the date the vehicle is first operated, moved, or left standing on the highways.

(d) Notwithstanding subdivision (c), the owner of any vehicle being moved or operated for the purpose of providing support to firefighting operations while the vehicle or owner is under contract to the United States Forestry Service, the United States Department of Interior, Bureau of Land Management, the Department of Forestry, or the Office of Emergency Services may obtain partial year registration when application is made after, but within 20 days of the date, the vehicle is first operated, moved, or left standing on the highway, provided that the owner has obtained a letter of authorization from the Department of Motor Vehicles prior to the date that the vehicle is first operated, moved, or left standing on the highway.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for this act to become effective prior to this year's fire season commencing in June, it is necessary that this act take effect immediately as an urgency statute.

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## CHAPTER 186

An act to amend Section 66796.33 of the Government Code, relating to solid waste.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 66796.33 of the Government Code is amended to read:

66796.33. (a) When issuing, modifying, or revising any solid waste facilities permit, the enforcement agency shall ensure that primary consideration is given to preventing environmental damage and that the long-term protection of the environment is the guiding criterion. To achieve these purposes, the enforcement agency may prohibit or condition the handling or disposal of solid waste to protect, rehabilitate, or enhance the environmental quality of the state or to mitigate adverse environmental impacts. If an operator holds a permit issued under subdivision (a) of Section 66796.30, the permit shall control, and no condition imposed under this section shall be more restrictive than the terms of the permit issued under subdivision (a) of Section 66796.30.

(b) The enforcement agency may include in a solid waste facilities permit a reasonable time schedule for existing facilities for compliance with the standards adopted by the board and standards and conditions contained in the approved county solid waste management plan.

(c) Any permit may be suspended, modified, or revoked by the enforcement agency after a hearing for cause, including, but not limited to, any of the following:

(1) Intentional or negligent violation of any term or condition contained in the permit.

(2) Obtaining the permit by misrepresentation or failure to disclose fully all relevant facts.

(3) Failure to fulfill the terms of a compliance schedule developed pursuant to Section 66796.39.

(d) Any solid waste facilities permit issued, modified, or revised under this chapter shall be reviewed and, if necessary, revised at least every five years.

(e) The enforcement agency may suspend or revoke the permit of any solid waste facility designed to convert solid waste from offsite sources into energy or synthetic fuels if the facility utilizes recyclable materials for conversion to energy and if the local agency in whose jurisdiction the materials are collected requires, by ordinance, contract, or otherwise, that recyclable materials within the jurisdiction of that local agency be converted into energy at that facility. This subdivision does not otherwise restrict the ability of a solid waste facility to purchase, collect, transport, or process recyclable materials. For purposes of this subdivision, "local agency" has the same meaning as in subdivision (a) of Section 66787 and "recyclable materials" means discarded paper, glass, cardboard, plastic, ferrous metal, or aluminum which has been segregated from

other solid waste materials for the purpose of reuse or recycling, except that recyclable materials do not include materials which a local agency, having jurisdiction over the locations where these materials exist, determines could be potentially harmful to the public health, or materials which create a public nuisance, as defined in Section 3480 of the Civil Code.

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## CHAPTER 187

An act to amend Section 798.87 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 8, 1983 Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 798.87 of the Civil Code is amended to read:  
798.87. (a) The substantial failure of the management to provide and maintain physical improvements in the common facilities in good working order and condition shall be deemed a public nuisance. Notwithstanding the provisions of Section 3491, such a nuisance only may be remedied by a civil action or abatement.

(b) The substantial violation of a mobilehome park rule shall be deemed a public nuisance. Notwithstanding the provisions of Section 3491, such a nuisance only may be remedied by a civil action or abatement.

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## CHAPTER 188

An act to amend Section 1031 of the Government Code, and to amend Section 288.1 of the Penal Code, relating to psychology.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1031 of the Government Code is amended to read:

1031. Each class of public officers or employees declared by law to be peace officers shall meet all of the following minimum standards:

(a) Be a citizen of the United States or a permanent resident alien who is eligible for and has applied for citizenship.

(b) Be at least 18 years of age.

(c) Be fingerprinted for purposes of search of local, state, and

national fingerprint files to disclose any criminal record.

(d) Be of good moral character, as determined by a thorough background investigation.

(e) Be a high school graduate or pass the general education development test indicating high school graduation level; provided that this subdivision shall not apply to any public officer or employee who was employed, prior to the effective date of the amendment of this section made at the 1971 Regular Session of the Legislature, in any position declared by law prior to the effective date of such amendment to be peace officer positions.

(f) Be found to be free from any physical, emotional, or mental condition which might adversely affect the exercise of the powers of a peace officer. Physical condition shall be evaluated by a licensed physician and surgeon. Emotional and mental condition shall be evaluated by a licensed physician and surgeon or by a licensed psychologist who has a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders.

This section shall not be construed to preclude the adoption of additional or higher standards, including age.

SEC. 2. Section 288.1 of the Penal Code is amended to read:

288.1. Any person convicted of committing any lewd or lascivious act including any of the acts constituting other crimes provided for in Part 1 of this code upon or with the body, or any part or member thereof, of a child under the age of 14 years shall not have his sentence suspended until the court obtains a report from a reputable psychiatrist, or from a reputable psychologist who meets the standards set forth in Section 1027, as to the mental condition of that person.

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## CHAPTER 189

An act to amend Sections 8520, 8521, and 8522 of the Business and Professions Code, relating to structural pest control.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8520 of the Business and Professions Code is amended to read:

8520. There is in the Department of Consumer Affairs a Structural Pest Control Board, which consists of seven members.

Subject to the jurisdiction conferred upon the director by Division 1 (commencing with Section 100) of this code, the board is vested with the power to and shall administer the provisions of this chapter.

SEC. 2. Section 8521 of the Business and Professions Code is



amended to read:

8521. The board is composed of seven members, three of whom shall be, and shall have been for a period of not less than five years preceding the date of their appointment, operators licensed under this chapter actively engaged in the business of pest control and who are residents of this state, and four public members who shall not be licentiates of the board.

SEC. 3. Section 8522 of the Business and Professions Code is amended to read:

8522. Members of the board shall be appointed for a term of four years, subject to removal by the appointing power at his or her pleasure.

Vacancies shall be filled by the appointing power for the unexpired term.

Each member shall hold office until the appointment and qualification of his successor or until one year shall have elapsed since the expiration of the term for which he was appointed, whichever first occurs. No person shall serve as a member of the board for more than two consecutive terms.

Each appointment shall be for a four-year term expiring June 1 of the fourth year following the year in which the previous term expires.

The Governor shall appoint two of the public members and the two licensed members qualified as provided in Section 8521. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member, and their initial appointment shall be made to fill, respectively, the first and second public member vacancies which occur on or after January 1, 1983.

The Governor shall appoint the member who is a licentiate of the board provided at the 1983 portion of the 1983-84 Regular Session of the Legislature on or before January 15, 1984, and that member's term shall expire on January 15, 1988. Each appointment thereafter shall be for a four-year term expiring on January 15th.

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## CHAPTER 190

An act to amend Section 31496.3 of the Government Code, relating to the County Employees Retirement Law of 1937, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 31496.3 of the Government Code is amended to read:

31496.3. Unless the context otherwise requires, the definitions

contained in this section govern the construction of this article.

(a) "Board" means the board of retirement.

(b) "Employer" means the county or district or agency whose employees are members of the retirement system of the county.

(c) "Federal system" means the Old Age and Survivors Insurance provisions of the Social Security Act.

(d) "Final compensation" means the average annual compensation earnable by a general member during any three years, whether or not consecutive, elected by the member at or before the time an application for retirement is filed or, if no election is made, during the three years in which the member or former member last earned compensation preceding retirement. If a member or former member has less than three years of service, final compensation shall be determined by dividing total compensation by the number of months of service credited to the member or former member and multiplying by 12. In no event shall final compensation include any disability benefits received by the member or former member under a disability plan provided by the employer.

(e) "Member" or "general member" means an employee hired on a permanent basis, as defined by the employer, except an employee eligible for safety membership.

(f) "Primary insurance amount" means the monthly retirement benefit payable under the federal system at the age of 65.

(g) "Service" means the period of uninterrupted employment of a member and the time in which a member or former member (1) is totally disabled, and (2) is receiving disability benefits or is eligible to receive disability benefits either during or after any elimination or qualifying period, under a disability plan provided by the employer.

Except as otherwise herein provided, a member shall not be credited with service for any period of time in which the member is absent from work without pay.

Unless otherwise provided, service shall not include military service or public service other than service with the employer.

Notwithstanding any other provision of this chapter, a member who has elected or transferred to the plan created by this article and who is terminated for any reason and is later reemployed shall receive credit at retirement for his or her service rendered prior to termination if the reemployment occurs within two years of termination.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the benefits authorized by this act may be available at the earliest possible time to the number of former employees who have returned to work and desire to elect for these benefits, it is necessary that this act take effect immediately.

## CHAPTER 191

An act to amend Section 11019 of the Government Code, and to add Sections 1797.108 and 1797.110 to, and to repeal Section 419 of, the Health and Safety Code, relating to emergency medical care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 11019 of the Government Code is amended to read:

11019. (a) Any department or authority specified in subdivision (b) may, upon determining that an advance payment is essential for the effective implementation of a program within the provisions of this section, and to the extent funds are available, and not more frequently than once each fiscal year, advance to a community-based private nonprofit agency with which it has contracted, pursuant to federal law and related state law, for the delivery of services, not to exceed 25 percent of the annual allocation to be made pursuant to the contract and those laws, during the fiscal year to the private nonprofit agency. Advances in excess of 25 percent may be made on contracts financed by a federal program when the advances are not prohibited by federal guidelines. Advance payments may be provided for services to be performed under any contract with a total annual contract amount of two hundred thousand dollars (\$200,000) or less, or which the State Department of Finance determines has been entered into with any community-based private nonprofit agency with modest reserves and potential cash flow problems. No advance payment shall be granted if the total annual contract exceeds two hundred thousand dollars (\$200,000), without the prior approval of the State Department of Finance.

The specific departments and authority mentioned in subdivision (b) shall develop a plan to establish control procedures for advance payments. Each plan shall include a procedure whereby the department or authority determines whether or not an advance payment is essential for the effective implementation of a particular program being funded. Each plan is required to be approved by the Department of Finance.

(b) Subdivision (a) shall apply to the Emergency Medical Service Authority, the Department of Aging, the State Department of Alcohol and Drug Programs, the Department of Corrections, the Employment Development Department, the State Department of Health Services, the State Department of Mental Health, the Department of Rehabilitation, the State Department of Social Services, the Department of the Youth Authority, and the Department of Education.

Subdivision (a) shall also apply to the Health and Welfare Agency which may make advance payments, pursuant to the requirements of that subdivision, to multipurpose senior services projects as established in Sections 9400 to 9413, inclusive, of the Welfare and Institutions Code.

(c) A county may, upon determining that an advance payment is essential for the effective implementation of a program within the provisions of this section, and to the extent funds are available, and not more frequently than once each fiscal year, advance to a community-based private nonprofit agency with which it has contracted, pursuant to federal law and related state law, for the delivery of services, not to exceed 25 percent of the annual allocation to be made pursuant to the contract and those laws, during the fiscal year to the private nonprofit agency.

SEC. 2. Section 419 of the Health and Safety Code is repealed.

SEC. 3. Section 1797.108 is added to the Health and Safety Code, to read:

1797.108. Subject to the availability of funds appropriated therefor, the authority may contract with local EMS agencies to provide funding assistance to those agencies for planning, organizing, implementing, and maintaining regional emergency medical services systems.

In addition, the authority may provide special funding to multicounty EMS agencies which serve rural areas with extensive tourism, as determined by the authority, to reduce the burden on the rural EMS agency of providing the increased emergency medical services required due to that tourism.

Each local or multicounty EMS agency receiving funding pursuant to this section shall make a quarterly report to the authority on the functioning of the local EMS system. The authority may continue to transfer appropriated funds to the local EMS agency upon satisfactory operation.

SEC. 4. Section 1797.110 is added to the Health and Safety Code, to read:

1797.110. The Legislature finds that programs funded through the authority are hindered by the length of time required for the state process to execute approved contracts and payment of vendor claims. These programs include, but are not limited to, general fund assistance to rural multicounty EMS agencies and dispersal of federal grant moneys for EMS systems development to local EMS agencies. This hardship is particularly felt by new or rural community based EMS agencies with modest reserves and cash flow problems. It is the intent of the Legislature that advance payment authority be established for the authority in order to alleviate such problems for those types of contractors to the extent possible.

Notwithstanding any other provision of law, the authority may, to the extent funds are available, provide for advanced payments under any financial assistance contract which the authority determines has been entered into with any small, rural, or new EMS agency with

modest reserves and potential cash flow problems, as determined by the authority. Such programs include, but are not limited to, local county or multicounty EMS agencies.

No advance payment or aggregate of advance payments made pursuant to this section shall exceed 25 percent of the total annual contract amount. No advance payment should be made pursuant to this section if the applicable federal law prohibits advance payment.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Following the expiration of federal eligibility, it is vital that the programs provided for in this act continue. Therefore, it is necessary for this act to take effect immediately.

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## CHAPTER 192

An act to amend Section 5102 of the Civil Code, relating to marriage.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5102 of the Civil Code is amended to read:

5102. (a) Except as otherwise provided in this section, neither husband nor wife has any interest in the separate property of the other, but neither can be excluded from the other's dwelling except as provided in Section 4359 or, in proceedings under Chapter 1 (commencing with Section 4400) or Chapter 2 (commencing with Section 4425) of Title 2 of this part, or under Chapter 1 (commencing with Section 4500) of Title 3 of this part, upon application of either party in the manner provided by Section 527 of the Code of Civil Procedure, the court may order the temporary exclusion of either party from the family dwelling or from the dwelling of the other until the final determination of the proceeding, upon a showing that the party to be excluded has assaulted or threatens to assault the other party, and that physical or emotional harm would otherwise result to the other party or any other person under the care, custody, or control of the other party, or, upon application and hearing, the court may order such temporary exclusion of either party upon a showing that physical or emotional harm would otherwise result.

(b) If notice of the pendency of a proceeding for separation or annulment or dissolution of marriage is recorded in any county in which the husband or wife resides on real property that is the separate property of the other, the real property shall not for a period of three months thereafter be transferred, encumbered, or otherwise

disposed of voluntarily or involuntarily without the joinder of both spouses, unless the court otherwise orders.

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## CHAPTER 193

An act to repeal and add Section 2435 of the Business and Professions Code, relating to the Board of Medical Quality Assurance.

[Approved by Governor July 8, 1983. Filed with  
Secretary of State July 11, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2435 of the Business and Professions Code is repealed.

SEC. 2. Section 2435 is added to the Business and Professions Code, to read:

2435. The following fees apply to physician's and surgeon's certificates, certificates of drugless practitioners, and certificates to practice midwifery:

(a) Each applicant for a certificate based upon a national board diplomate certificate, each applicant for a certificate based on reciprocity, and each applicant for a certificate based upon written examination, shall pay a nonrefundable application and processing fee of one hundred dollars (\$100) at the time the application is filed.

(b) Each applicant for a certificate by written examination, unless otherwise provided by this chapter, shall pay an examination fee fixed by the board, which shall equal the actual cost to the board of the purchase of the written examination furnished by the organization pursuant to Section 2176, plus the actual cost to the board of administering the written examination. Such actual cost to the board of administering the written examination that shall be charged to the applicant shall not exceed one hundred dollars (\$100).

(c) Each applicant who qualifies for a certificate, as a condition precedent to its issuance, in addition to other fees required herein, shall pay an initial license fee, if any. The initial license fee shall be fixed by the board at an amount not less than two hundred dollars (\$200), and not to exceed three hundred twenty-five dollars (\$325).

(d) The biennial renewal fee shall be fixed by the board at an amount not less than two hundred dollars (\$200), and not to exceed three hundred twenty-five dollars (\$325). Any licensee enrolled in an approved residency program shall be required to pay only 50 percent of the biennial renewal fee at the time of his or her first renewal.

(e) Notwithstanding Section 163.5, the delinquency fee is 10 percent of the biennial renewal fee.

(f) The duplicate certificate, endorsement, certification, and

letter of good standing fees shall each be ten dollars (\$10).

(g) It is the intent of the Legislature that, in setting fees pursuant to this section, the board shall seek to maintain a reserve in the Contingent Fund of the Board of Medical Quality Assurance equal to approximately four months' operating expenditures.

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## CHAPTER 194

An act to amend Sections 26820.8 and 72056.5 of, and to add and repeal Section 68090.2 of, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1983. Filed with  
Secretary of State July 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 26820.8 of the Government Code is amended to read:

26820.8. The maximum amounts set forth in Sections 26820.4, 26826, and 26827, shall be deemed adjusted, effective January 1, 1983, and on January 1 of each odd-numbered year thereafter, to reflect changes in the value of the dollar. Such adjustments shall be made by multiplying the base amounts by the percent change in the California Consumer Price Index as compiled and reported by the California Department of Industrial Relations with the result rounded to the nearest dollar; however, any adjustment for any two-year period shall not exceed 6 percent per biennium.

SEC. 2. Section 68090.2 is added to the Government Code, to read:

68090.2. (a) Notwithstanding the provisions of Section 68090, the board of supervisors of a county may by resolution adopted prior to August 1, 1983, fix the amounts to be charged as total filing fees in the courts within the county pursuant to Sections 26820.4, 26826, 26827, 72055, and 72056, and establish the components thereof, for the period August 1, 1983, to December 31, 1984. A copy of any such resolution shall be forwarded promptly to the Judicial Council.

(b) Notwithstanding the provisions of Sections 26820.8 and 72056.5, the adjustment for the two-year period covering calendar years 1983 and 1984 may exceed 6 percent per biennium when any adjustment in excess of 6 percent for those two years reflects a law library fee increase pursuant to Section 6322.1 of the Business and Professions Code; however, in no event shall the adjustment exceed 10 percent per biennium.

(c) This section shall remain in effect only until January 1, 1985, and as of such date is repealed.

SEC. 3. Section 72056.5 of the Government Code is amended to read:

72056.5. The maximum amounts set forth in Sections 72055 and 72056, shall be deemed adjusted, effective January 1, 1983, and on January 1 of each odd-numbered year thereafter, to reflect changes in the value of the dollar. Such adjustments shall be made by multiplying the base amounts by the percent change in the California Consumer Price Index as compiled and reported by the California Department of Industrial Relations, with the result rounded to the nearest dollar; however, any adjustment for any two-year period shall not exceed 6 percent per biennium.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to coordinate the fee structure for municipal and superior courts, it is necessary that this statute take effect immediately.

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## CHAPTER 195

An act to amend Sections 18016.5, 50516, 50517.5, 50531, 50661, 50701, 50778, and 51653 of, and to amend and add Section 18502.5 to, the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature. Filed with  
Secretary of State July 12, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18016.5 of the Health and Safety Code is amended to read:

18016.5. (a) The Mobilehome Revolving Fund is continued in existence and renamed the Mobilehome-Manufactured Home Revolving Fund. Money transferred to, or deposited in, the fund is continuously appropriated to the department notwithstanding Section 13340 of the Government Code, for expenditure in carrying out the provisions of this part. All fees or other moneys accruing to the department pursuant to this part shall, except as otherwise expressly provided by law, be deposited in the fund.

(b) Total money contained in the Mobilehome-Manufactured Home Revolving Fund on June 30 of each fiscal year shall not exceed the amount of money needed for operating expenses for one year for the enforcement of this part. If the total money contained in the fund exceeds this amount, the commission or department, as appropriate, shall make appropriate reductions in the schedule of fees authorized by this part.

SEC. 2. Section 18502.5 of the Health and Safety Code is amended to read:



18502.5. (a) There is hereby established in the State Treasury the Mobilehome Parks Revolving Fund into which funds collected by the department pursuant to this part shall be deposited. Notwithstanding Section 13340 of the Government Code, money deposited in the fund is continuously appropriated to the department for expenditure in carrying out the provisions of this part.

(b) Notwithstanding any maximum fees set by this part, the department may, by regulation, set fees charged by the department for all permits and for the department's activities mandated by this part. The fees shall be set with the primary objective that the aggregate revenue deposited in the Mobilehome Parks Revolving Fund shall not, on an annual basis, exceed the costs of the department's activities mandated by this part.

(c) No proposed increase in fees may be effective any sooner than 45 days after written notification thereof is provided to the Chairman of the Joint Legislative Audit Committee and the Auditor General. Upon receipt of the notification, the Auditor General may prepare, a report to the Legislature which indicates whether the proposed increase is appropriate and consistent with the provisions of this part.

(d) The total money contained in the Mobilehome Parks Revolving Fund on June 30 of each fiscal year shall not exceed the amount of money needed for the department's operating expenses for one year for the enforcement of this part. If the total money contained in the fund exceeds this amount, the department shall make appropriate reductions in the schedule of fees authorized by this section.

(e) Any city, county, or city and county which, pursuant to this section, transmits any annual mobilehome park permit-to-operate fees to the state, may, by ordinance, add a surcharge to these fees to defray its administrative costs in transmitting the fees to the department, provided the aggregate amount of the surcharge does not exceed the actual administrative costs of transmittal.

This section shall remain in effect only until January 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date, deletes or extends such date.

SEC. 3. Section 18502.5 is added to the Health and Safety Code, to read:

18502.5. (a) There is hereby established in the State Treasury the Mobilehome Parks Revolving Fund into which funds collected by the department pursuant to this part shall be deposited. Notwithstanding Section 13340 of the Government Code, money deposited in the fund is continuously appropriated to the department for expenditure in carrying out the provisions of this part.

(b) Notwithstanding any maximum fees set by this part, the department may, by regulation, set fees charged by the department for all permits and for the department's activities mandated by this part. The fees shall be set with the primary objective that the

aggregate revenue deposited in the Mobilehome Parks Revolving Fund shall not, on an annual basis, exceed the costs of the department's activities mandated by this part.

(c) No proposed increase in fees may be effective any sooner than 45 days after written notification thereof is provided to the Chairman of the Joint Legislative Audit Committee and the Auditor General. Upon receipt of the notification, the Auditor General may prepare, a report to the Legislature which indicates whether the proposed increase is appropriate and consistent with the provisions of this part.

(d) The total money contained in the Mobilehome Parks Revolving Fund on June 30 of each fiscal year shall not exceed the amount of money needed for the department's operating expenses for one year for the enforcement of this part. If the total money contained in the fund exceeds this amount, the department shall make appropriate reductions in the schedule of fees authorized by this section.

(e) This section shall become operative January 1, 1984.

SEC. 4. Section 50516 of the Health and Safety Code is amended to read:

50516. There is hereby continued in existence in the State Treasury the Housing Predevelopment Loan Fund.

Notwithstanding Section 13340 of the Government Code, all money in the Housing Predevelopment Loan Fund, including any interest on loans made therefrom, is continuously appropriated to the department for carrying out the purposes of this section and Section 50517. The Housing Predevelopment Loan Fund shall be a revolving loan fund which shall be used to make predevelopment loans to local agencies or nonprofit corporations for assisted housing for persons of low income in rural areas.

SEC. 5. Section 50517.5 of the Health and Safety Code is amended to read:

50517.5. (a) The department shall establish a Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants shall be made to local public entities and nonprofit corporations for the construction or rehabilitation of housing for agricultural employees and their families. Under such program, grants may also be made for the purchase of land in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities necessary to such housing. No part of a grant made pursuant to this section may be used for project organization or planning.

Such program shall be administered by the Director of Housing and Community Development and such officers and employees of the department as he may designate.

It is the intent of the Legislature that, in administering the program, the director shall facilitate, to the greatest extent possible, the construction and rehabilitation of permanent dwellings for year-round occupancy and ownership by agricultural employees, including ownership of the sites upon which such dwellings are

located.

(b) The Farmworker Housing Grant Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for making grants pursuant to this section and for costs incurred by the department in administering such grant program.

There shall be paid into the fund the following:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any moneys which the department receives in repayment or return of grants from the fund, including any interest therefrom.

(3) Any other moneys which may be made available to the department for the purposes of this chapter from any other source or sources.

(c) Grants made pursuant to this section shall be matched by grantees with at least equal amounts of federal moneys, other cash investments, or in-kind contributions.

(d) With respect to the supervision of grantees, the department shall do the following:

(1) Establish minimum capital reserves to be maintained by grantees.

(2) Fix and alter from time to time a schedule of rents such as may be necessary to provide residents of housing assisted pursuant to this section with affordable rents to the extent consistent with the maintenance of the financial integrity of the housing project. No grantee shall increase the rent on any unit constructed or rehabilitated with the assistance of funds granted pursuant to this section without the prior permission of the department, which shall be given only if the grantee affirmatively demonstrates that such increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing project.

(3) Determine standards for, and control selection by grantees of, tenants and subsequent purchasers of housing constructed or rehabilitated with the assistance of funds granted pursuant to this section.

(4) Require as a condition precedent to a grant of funds that the grantee be record owner in fee of the assisted real property and that such grantee shall have entered into a written agreement with the department binding upon the grantee and successors in interest to the grantee. The agreement shall include the conditions under which the funds advanced may be repaid. The agreement shall include provisions for a lien on the assisted real property in favor of the State of California for the purpose of securing performance of the agreement. The agreement shall also provide that the lien shall endure until released by the Director of Housing and Community Development.

In the event that funds granted pursuant to this section constitute less than 25 percent of the total development cost or value,

whichever is applicable, of a project assisted under this section, the department may adopt, by regulation, criteria for determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply. In no event may such regulations provide for the application of the agreement to a percentage of units in a project which is less than the percentage of total development costs which funds granted pursuant to this section represent.

Contemporaneously with the disbursement of the initial funds to a grantee, the department shall cause to be recorded, in the office of the county recorder of the county in which the assisted real property is located, a notice of lien executed by the Director of Housing and Community Development. The notice of lien shall refer to the agreement required by this paragraph for which it secures and it shall include a legal description of the assisted real property which is subject to the lien. The notice of lien shall be indexed by the recorder in the Grantor Index to the name of the grantee and in the Grantee Index to the name of the State of California, Department of Housing and Community Development. The department shall adopt by regulation criteria for the determination of the lien period. Such regulation shall take into account whether the property is held by multifamily rental, single-family ownership, or cooperative ownership and whether it is new construction or rehabilitative construction.

Pursuant to regulations adopted by the department, the department is authorized to execute and cause to be recorded in the office of the recorder of the county, in which a notice of lien has been recorded, a subordination of the lien. The regulations adopted by the department shall provide that any subordination of the lien shall not jeopardize the security interest of the state and shall further the interest of farmworker housing. The recitals contained in such subordination shall be conclusive in favor of any bona fide purchaser or lender relying thereon.

(5) Regulate the terms of occupancy agreements or resale controls, to be used in housing assisted pursuant to this section.

(6) Provide bilingual services and publications, or require grantees to do so, as necessary to implement the purposes of this section.

(7) The agreement between the department and the grantee shall provide, among other things, that:

(A) Upon the sale or conveyance of the real property, or any part thereof, for use other than for agricultural employee occupancy, the grantee or its successors shall, as a condition for the release of the lien provided pursuant to paragraph (4), repay to the fund the department's grant funds.

(B) Upon the sale or conveyance of the real property, or any part thereof, for continued agricultural employee occupancy, the transferee shall assume the obligation of the transferor and the real property shall be transferred to the new owner; provided that such person agrees to abide by the agreement entered into between the

transferor and the department and that the new owner takes the property subject to the lien provided pursuant to paragraph (4), except that such lien shall at the time of the transfer of the property to the new owner be extended for such additional lien period, as determined by the department pursuant to paragraph (4), and the new owner shall not be credited with the lien period that had run from the time the transferor had acquired the property to the time of transfer to the new owner, unless the department determines that it is in the best interest of the state and consistent with the intent of this section to so credit the lien period to the new owner. However, such lien shall have priority as of the recording date of the lien for the original grantee, pursuant to paragraph (4) of this subdivision.

(e) The department may do any of the following with respect to grantees:

(1) Through its agents or employees enter upon and inspect the lands, buildings, and equipment of a grantee, including books and records, at any time before, during, or after construction or rehabilitation of units assisted pursuant to this section. However, there shall be no entry or inspection of any unit which is occupied, whether or not any occupant is actually present, without the consent of the occupant.

(2) Supervise the operation and maintenance of any housing assisted pursuant to this section and order such repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.

(f) The department shall include in its annual report required by Section 50408, a current report of the Farmworker Housing Grant Program. Such report shall include, but need not be limited to: (1) the number of households assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents paid by households assisted, (4) the number and amount of grants made to each nonprofit corporation and local public entity in the preceding year, (5) the dollar value of funding derived from sources other than the state for each project receiving a grant under this section, and an identification of each such source, (6) recommendations, as needed, to improve operations of the program and respecting the desirability of extending its application to other groups in rural areas identified by the department as having special need for state housing assistance, and (7) the number of manufactured housing units assisted under this section.

(g) As used in this section:

(1) "Agricultural employee" has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code.

(2) "Housing" may include, but need not be limited to, conventionally constructed units, and manufactured housing.

SEC. 6. Section 50531 of the Health and Safety Code is amended to read:

50531. There is hereby created in the State Treasury the Urban

### Housing Development Loan Fund.

Notwithstanding Section 13340 of the Government Code, all money in the loan fund is hereby continuously appropriated to the department for carrying out the purposes of this chapter. The loan fund shall be a revolving loan fund which shall be used to make loans to local agencies or nonprofit corporations for assisted housing in urban areas, for occupancy primarily by persons of low income.

All interest, dividends, and pecuniary gains from investments or deposits of moneys in the loan fund shall accrue to the loan fund notwithstanding Section 16305.7 of the Government Code.

There shall be paid into the fund the following:

(a) Any moneys appropriated and made available by the Legislature for the purposes of the fund.

(b) Any moneys which the department receives in repayment of loans made from the fund, including any interest on loans made therefrom.

(c) Any other moneys which may be made available to the department for the purposes of this chapter from any other source or sources.

SEC. 7. Section 50661 of the Health and Safety Code is amended to read:

50661. (a) There is hereby created in the State Treasury the Housing Rehabilitation Loan Fund. All interest or other increments resulting from the investment of moneys in the Housing Rehabilitation Loan Fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for the following purposes:

(1) For making deferred-payment rehabilitation loans for financing all or a portion of the cost of rehabilitating existing housing to meet rehabilitation standards as provided in this chapter.

(2) For making deferred-payment loans as provided in Sections 50669 and 50670.

(3) For related administrative expenses of the department.

(4) For related administrative costs of nonprofit corporations and local public entities contracting with the department pursuant to Section 50663 in an amount, if any, as determined by the department, to enable the entities and corporations to implement a program pursuant to this chapter. The department shall ensure that not less than 20 percent of the funds loaned pursuant to this chapter shall be allocated to rural areas.

(b) There shall be paid into the fund the following:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any moneys which the department receives in repayment of loans made from the fund, including any interest thereon.

(3) Any other moneys which may be made available to the department for the purposes of this chapter from any other source

or sources.

SEC. 8. Section 50701 of the Health and Safety Code is amended to read:

50701. There is hereby created in the State Treasury the Land Purchase Fund. Notwithstanding Section 13340 of the Government Code, all money in the Land Purchase Fund is continuously appropriated to the department for the purpose of making loans to eligible sponsors of assisted housing for land purchase costs incurred by them in connection with the provision of housing for low-income persons in rural areas.

All interest, dividends, and pecuniary gains from investments or deposits of moneys in the loan fund shall accrue to the fund notwithstanding Section 16305.7 of the Government Code.

There shall be paid into the fund the following:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any moneys which the department receives in repayment or return of loans made from the fund, including any interest thereon.

(3) Any other moneys which may be made available to the department for the purposes of this chapter from any other source or sources.

SEC. 9. Section 50778 of the Health and Safety Code is amended to read:

50778. The Homeownership Assistance Fund is hereby created in the State Treasury and, notwithstanding Section 13340 of the Government Code, is continually appropriated to the department for purposes of this chapter, including Section 50775.5, and for the purposes of Section 50745.1. Any moneys received by the department pursuant to this chapter shall be deposited in such fund. All interest or other increment resulting from investment or deposit of moneys in the fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund shall not be subject to transfer to any other fund pursuant to any provisions of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, excepting the Surplus Money Investment Fund.

Not less than 50 percent of the moneys in the fund shall be used to assist lower-income households. Not less than 20 percent of the units assisted shall be in rural areas.

Funds available for the purpose of this chapter shall be allocated by the department throughout the state in accordance with identified housing needs.

SEC. 10. Section 51653 of the Health and Safety Code is amended to read:

51653. The Housing Rehabilitation Insurance Fund is hereby renamed the Housing Insurance Fund. All references in any provision of law to the Housing Rehabilitation Insurance Fund shall be deemed to refer to the Housing Insurance Fund. Notwithstanding Section 13340 of the Government Code, all money in the insurance

fund is hereby continuously appropriated to the agency without regard to fiscal year for the purpose of insuring loans and bonds pursuant to this part and for the purpose of defraying administrative expenses incurred by the agency in operating such programs of loan and bond insurance. All insurance premiums shall be deposited in the insurance fund.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to keep the programs under the so-called "Mobilehome Parks Act" and under the Mobilehomes-Manufactured Housing Act of 1980, the Farmworker Housing Grant Program, the Land Purchase Fund, the Homeownership Assistance Fund, the Housing Rehabilitation Loan Fund, the Urban Housing Development Loan Fund and the Housing Predevelopment Loan Fund running continuously without disruption, it is necessary that this act take effect immediately.

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## CHAPTER 196

An act to amend Sections 2082, 11101, 11103, and 11104 of, to amend, repeal, and add Sections 3058.5 and 6250 to, and to add and repeal Section 11156 of, the Penal Code, and to amend, repeal, and add Section 1180 to the Welfare and Institutions Code, relating to prisoners and parolees.

[Approved by Governor July 12, 1983. Filed with  
Secretary of State July 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2082 of the Penal Code is amended to read: 2082. The Director of Corrections shall within 30 days after receiving persons convicted of crime and sentenced to serve terms in the respective prisons under the jurisdiction of the Director of Corrections, except those cases under juvenile court commitment, furnish to the Department of Justice two copies of a report containing the fingerprints and descriptions, including complete details of marks, scars, deformities, or other peculiarities, and a statement of the nature of the offense for which the person is committed. One copy shall be transmitted by the Department of Justice to the Federal Bureau of Investigation. The director shall notify the Department of Justice whenever any of the prisoners dies, escapes, is discharged, released on parole, transferred to or returned from a state hospital, taken out to court or returned therefrom, or whose custody is terminated in any other manner. The Director of Corrections may furnish to the Department of Justice such other



fingerprints and information as may be useful for law enforcement purposes. Any expenditures incurred in carrying out the provisions of this section shall be paid for out of the appropriation made for the support of state's prisons or the Department of Corrections.

SEC. 2. Section 3058.5 of the Penal Code is amended to read:

3058.5. The Department of Corrections shall provide within 10 days, upon request, to the chief of police of a city or the sheriff of a county, information available to the department, including actual, glossy photographs, no smaller than  $3\frac{1}{8}$  x  $3\frac{1}{8}$  inches in size, and, in conjunction with the Department of Justice, fingerprints, concerning persons then on parole who are or may be residing or temporarily domiciled in that city or county.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

SEC. 3. Section 3058.5 is added to the Penal Code, to read:

3058.5. The Department of Corrections shall provide within 10 days, upon request, to the chief of police of a city or the sheriff of a county, information available to the department, including photographs, concerning persons then on parole who are or may be residing or temporarily domiciled in that city or county.

SEC. 4. Section 6250 of the Penal Code is amended to read:

6250. (a) The Director of Corrections may establish and operate facilities to be known as community correctional centers. No later than 60 days prior to award of a contract for the establishment of such a center, the director shall notify the county board of supervisors or city council in whose jurisdiction the center will be located of the pending contract. The notice may be delivered by hand or sent by any form of mail requiring a return receipt. Failure to provide the notice shall be grounds for extinguishing the contract upon motion of the board of supervisors or city council.

(b) The Director of Corrections shall not change the use of or significantly increase the capacity of a community correctional center established pursuant to subdivision (a) unless the director has first notified the county board of supervisors or city council in whose jurisdiction the center is located at least 30 days prior to such change of use or capacity. Failure to provide the notice shall be grounds for enjoining such change in use or capacity.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

SEC. 5. Section 6250 is added to the Penal Code, to read:

6250. The Director of Corrections may establish and operate facilities to be known as community correctional centers. No later than 60 days prior to award of a contract for the establishment of such a center, the director shall notify the county board of supervisors or city council in whose jurisdiction the center will be located of the pending contract. The notice may be delivered by hand or sent by any form of mail requiring a return receipt. Failure to provide the

notice shall be grounds for extinguishing the contract upon motion of the board of supervisors or city council.

SEC. 6. Section 11101 of the Penal Code is amended to read:

11101. The Attorney General shall procure from any available source, and file for record and report in the office of the bureau, all descriptions, information, and measurements of all persons convicted of a felony, or imprisoned for violating any of the military, naval, or criminal laws of the United States, and of all well-known and habitual criminals.

SEC. 7. Section 11103 of the Penal Code is amended to read:

11103. The Attorney General shall keep on file in the office of the bureau a record consisting of duplicates of all measurements, processes, operations, signalitic cards, measurements, and descriptions of all persons confined in penal institutions of the state as far as possible, in accordance with whatever system or systems may be commonly used in the state.

SEC. 8. Section 11104 of the Penal Code is amended to read:

11104. The Attorney General shall file all measurements, information and descriptions received and shall make a complete and systematic record and index, providing a method of convenience, consultation, and comparison.

SEC. 9. Section 11156 is added to the Penal Code, to read:

11156. The notice sent to the chief of police and county sheriff pursuant to Section 11155 shall include an actual glossy photograph no smaller than  $3\frac{1}{8}$  x  $3\frac{1}{8}$  inches in size, in conjunction with the Department of Justice, fingerprints of each inmate in the reentry or work furlough program.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

SEC. 10. Section 1180 of the Welfare and Institutions Code is amended to read:

1180. The Department of the Youth Authority shall provide, within 10 days, upon request to the chief of police of a city or the sheriff of a county information available to the department, including actual, glossy photographs, no smaller than  $3\frac{1}{8}$  x  $3\frac{1}{8}$  inches in size, and, in conjunction with the Department of Justice, fingerprints concerning persons then on parole who are or may be residing or temporarily domiciled in that city or county.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends that date.

SEC. 11. Section 1180 is added to the Welfare and Institutions Code, to read:

1180. The Department of the Youth Authority shall provide, within 10 days, upon request to the chief of police of a city or the sheriff of a county information available to the department, including photographs, concerning persons then on parole who are or may be residing or temporarily domiciled in that city or county.

SEC. 12. The provisions of Sections 3, 5, and 11 of this act shall be operative January 1, 1987.

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## CHAPTER 197

An act to add Section 977.2 to the Penal Code, relating to arraignments.

[Approved by Governor July 12, 1983 Filed with  
Secretary of State July 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 977.2 is added to the Penal Code, to read:

977.2. Notwithstanding the provisions of Section 977, the Board of Supervisors of San Diego or Sacramento Counties, or both, with the approval of the presiding judge of the municipal court and in consultation with the district attorney, and the public defender, may establish a pilot project, not to exceed two years in duration, whereby the arraignment of defendants in municipal court on felony charges is conducted by two-way electronic audio-video communication between the defendant and the courtroom in lieu of the physical presence of the defendant in the courtroom. The defendant may be accompanied by his or her attorney, and may enter a plea, during such an arraignment. The defendant shall have the right to make his or her plea while physically present in the courtroom if he or she so requests. Each county conducting a pilot project pursuant to this section shall report annually to the Legislature such data, including costs, benefits, and problems incurred, as shall be specified by the Judicial Council.

Notwithstanding any other provision of this section, a judge may order a defendant's personal appearance in court for arraignment, and shall not pursuant to this section accept a plea of guilty or no contest from a defendant not physically in the courtroom.

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## CHAPTER 198

An act to amend Section 37700 of the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1983. Filed with  
Secretary of State July 12, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 37700 of the Education Code is amended to read:

37700. (a) The following school districts may, independently, operate experimental programs pursuant to this chapter:

(1) The Potter Valley Community Unified School District.

(2) The French Gulch-Whiskeytown Union Elementary School District.

(3) The Death Valley Unified School District.

(b) Notwithstanding Sections 37620 and 41420, the Potter Valley Community Unified School District and the French Gulch-Whiskeytown Union Elementary School District may each, during the 1983-84, 1984-85, and 1985-86 school years, conduct an experimental program for the operation of the schools in the district on a four-day school week, so long as the district complies with the requirements of this chapter.

(c) Notwithstanding Sections 37620 and 41420, the Death Valley Unified School District may, during the 1983-84 school year, and every school year thereafter, through the 1987-88 school year, conduct an experimental program for the operation of schools in the district on a four-day school week, so long as the district complies with the requirements of this chapter.

SEC. 2. Due to the unique circumstances regarding scarcity of funds for the schools in the Death Valley Unified School District, the Legislature hereby finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to some of the most severe temperature extremes faced by any school district in the state and the unusually long daily commute distances of 130 to 150 miles for some of its students, the Death Valley Unified School District spends an inordinate amount of its budget on heating, cooling, and transportation costs.

Due to these costs and the lack of appropriated funds to support general education, the district is bordering on financial insolvency and extinction.

In order for the district to continue to provide education to a widely dispersed population, it is necessary that this act take effect immediately.

## CHAPTER 199

An act to amend Section 602 of the Penal Code, relating to trespass.

[Approved by Governor July 12, 1983. Filed with  
Secretary of State July 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 602 of the Penal Code is amended to read:  
602. Every person who willfully commits a trespass by any of the following acts is guilty of a misdemeanor:

(a) Cutting down, destroying, or injuring any kind of wood or timber standing or growing upon the lands of another.

(b) Carrying away any kind of wood or timber lying on those lands.

(c) Maliciously injuring or severing from the freehold of another anything attached to it, or its produce.

(d) Digging, taking, or carrying away from any lot situated within the limits of any incorporated city, without the license of the owner or legal occupant, any earth, soil, or stone.

(e) Digging, taking, or carrying away from land in any city or town laid down on the map or plan of the city, or otherwise recognized or established as a street, alley, avenue, or park, without the license of the proper authorities, any earth, soil, or stone.

(f) Maliciously tearing down, damaging, mutilating, or destroying any sign, signboard, or notice placed upon, or affixed to, any property belonging to the state, or to any city, county, city and county, town or village, or upon any property of any person, by the state or by an automobile association, which sign, signboard or notice is intended to indicate or designate a road, or a highway, or is intended to direct travelers from one point to another, or relates to fires, fire control, or any other matter involving the protection of the property, or putting up, affixing, fastening, printing, or painting upon any property belonging to the state, or to any city, county, town, or village, or dedicated to the public, or upon any property of any person, without license from the owner, any notice, advertisement, or designation of, or any name for any commodity, whether for sale or otherwise, or any picture, sign, or device intended to call attention to it.

(g) Entering upon any lands owned by any other person whereon oysters or other shellfish are planted or growing; or injuring, gathering, or carrying away any oysters or other shellfish planted, growing, or on any such lands, whether covered by water or not, without the license of the owner or legal occupant; or destroying or removing, or causing to be removed or destroyed, any stakes, marks, fences, or signs intended to designate the boundaries and limits of any such lands.

(h) Willfully opening, tearing down, or otherwise destroying any

fence on the enclosed land of another, or opening any gate, bar, or fence of another and willfully leaving it open without the written permission of the owner, or maliciously tearing down, mutilating, or destroying any sign, signboard, or other notice forbidding shooting on private property.

(i) Building fires upon any lands owned by another where signs forbidding trespass are displayed at intervals not greater than one mile along the exterior boundaries and at all roads and trails entering the lands, without first having obtained written permission from the owner of the lands or the owner's agent, or the person in lawful possession.

(j) Entering any lands, whether unenclosed or enclosed by fence, for the purpose of injuring any property or property rights or with the intention of interfering with, obstructing, or injuring any lawful business or occupation carried on by the owner of the land, the owner's agent or by the person in lawful possession.

(k) Entering any lands under cultivation or enclosed by fence, belonging to, or occupied by, another, or entering upon uncultivated or unenclosed lands where signs forbidding trespass are displayed at intervals not less than three to the mile along all exterior boundaries and at all roads and trails entering the lands without the written permission of the owner of the land, the owner's agent or of the person in lawful possession, and

(1) Refusing or failing to leave the lands immediately upon being requested by the owner of the land, the owner's agent or by the person in lawful possession to leave the lands, or

(2) Tearing down, mutilating, or destroying any sign, signboard, or notice forbidding trespass or hunting on the lands, or

(3) Removing, injuring, unlocking, or tampering with any lock on any gate on or leading into the lands, or

(4) Discharging any firearm.

(l) Entering and occupying real property or structures of any kind without the consent of the owner, the owner's agent, or the person in lawful possession.

(m) Driving any vehicle, as defined in Section 670 of the Vehicle Code, upon real property belonging to or lawfully occupied by another and known not to be open to the general public, without the consent of the owner, the owner's agent, or the person in lawful possession.

(n) Refusing or failing to leave land, real property, or structures belonging to or lawfully occupied by another and not open to the general public, upon being requested to leave by (1) a peace officer at the request of the owner, the owner's agent, or the person in lawful possession, and upon being informed by the peace officer that he or she is acting at the request of the owner, the owner's agent, or the person in lawful possession, or (2) the owner, the owner's agent, or the person in lawful possession. The owner, the owner's agent, or the person in lawful possession shall make a separate request to the peace officer on each occasion when the peace officer's assistance in

dealing with a trespass is requested. However, a single request for a peace officer's assistance may be made to cover a limited period of time not to exceed 30 days and identified by specific dates, during which there is a fire hazard or the owner, owner's agent or person in lawful possession is absent from the premises or property. In addition, a single request for a peace officer's assistance may be made for a period not to exceed six months when the premises or property is closed to the public and posted as being closed. However, this subdivision shall not be applicable to persons engaged in lawful labor union activities which are permitted to be carried out on the property by the California Agricultural Labor Relations Act, Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code, or by the National Labor Relations Act.

(o) Entering upon any lands declared closed to entry as provided in Section 4256 of the Public Resources Code, if the closed areas shall have been posted with notices declaring the closure, at intervals not greater than one mile along the exterior boundaries or along roads and trails passing through the lands.

(p) Refusing or failing to leave a public building of a public agency during those hours of the day or night when the building is regularly closed to the public upon being requested to do so by a regularly employed guard, watchman, or custodian of the public agency owning or maintaining the building or property, if the surrounding circumstances are such as to indicate to a reasonable man that the person has no apparent lawful business to pursue.

(q) Knowingly skiing in an area or on a ski trail which is closed to the public and which has signs posted indicating the closure.

(r) Refusing or failing to leave a hotel or motel, where he or she has obtained accommodations and has refused to pay for those accommodations, upon request of the proprietor or manager, and the occupancy is exempt, pursuant to subdivision (b) of Section 1940 of the Civil Code, from Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

## CHAPTER 200

An act to amend Section 6254 of the Government Code, relating to public records, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1983 Filed with  
Secretary of State July 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intraagency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1).

(3) Preliminary drafts, notes, or interagency or intraagency communications prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1).

(4) Information received in confidence by any state agency referred to in subdivision (1).

(e) Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person.

(f) Records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and



any state or local police agency, or any such investigatory or security files compiled by any other state or local police agency, or any such investigatory or security files compiled by any other state or local agency for correctional, law enforcement or licensing purposes, except that state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, vandalism, vehicle theft, or a crime of violence as defined by subdivision (b) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation; provided, however, that nothing herein shall require the disclosure of that portion of those investigative files which reflect the analysis or conclusions of the investigating officer.

Other provisions of this subdivision notwithstanding, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name, current address, and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds; and

(2) The time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent such information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date and location of occurrence, the time and date of the report, the name, age and current address of the victim, except that the address of the victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 286, 288, 288a, or 289 of the Penal Code shall not be disclosed, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property or weapons involved.

(g) Test questions, scoring keys, and other examination data used

to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of the Education Code.

(h) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on such borrowers.

(k) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter.

(m) In the custody or maintained by the Legislative Counsel.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with such licensing agency to establish his personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of such financial data would be competitively injurious to the applicant and such data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application which are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, Chapter 10.5 (commencing with Section 3525) of Division 4 of Title 1, and Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, which reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting

minutes, research, work products, theories, or strategy, or which provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under the above chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Articles 2.6, 2.8, and 2.91 of Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, which reveal the special negotiator's deliberative processes, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or which provide instruction, advice, or training to employees. All or portions of contracts entered into pursuant to these articles may be exempted from the provisions of this chapter as specified by the terms of each contract.

Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

(r) Records of Native American graves, cemeteries, and sacred places maintained by the Native American Heritage Commission.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Native American Heritage Commission is empowered to identify and catalog known graves and cemeteries of Native Americans on private lands. In order that the graves and cemeteries cataloged by the commission are protected from vandalism and destruction, it is necessary that the records of the location of the graves and cemeteries be exempt from disclosure under the Public Records Act. In order that the exemption take place at the earliest possible time, it is essential that this act take effect immediately.

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## CHAPTER 201

An act to amend Section 667 of the Evidence Code, to amend Section 8627 of the Health and Safety Code, to amend Sections 3700 and 3703 of, to amend the heading of Chapter 5 (commencing with Section 3700) of Part 8 of Division 4 of, to add Sections 1461.7 and 1804 to, to add Chapter 24 (commencing with Section 1350) to Division 3 of, to add Article 5 (commencing with Section 1845) to Chapter 1 of Part 3 of Division 4 of, to add a heading immediately preceding Section 3700 of, to add a heading immediately preceding Section 3701 of, to add Article 3 (commencing with Section 3710) and Article 4

(commencing with Section 3720) to Chapter 5 of Part 8 of Division 4 of, and to repeal Division 2a (commencing with Section 260) of, the Probate Code, relating to missing persons.

[Approved by Governor July 12, 1983. Filed with  
Secretary of State July 12, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 667 of the Evidence Code is amended to read:

667. A person not heard from in five years is presumed to be dead.

SEC. 2. Section 8627 of the Health and Safety Code is amended to read:

8627. Cemetery property held in joint tenancy is exempt from the provisions of the Probate Code relating to proceedings for establishing the fact of death of a person whose death affects title to real property.

SEC. 3. Division 2a (commencing with Section 260) of the Probate Code is repealed.

SEC. 4. Chapter 24 (commencing with Section 1350) is added to Division 3 of the Probate Code, to read:

#### CHAPTER 24. ADMINISTRATION OF ESTATES OF MISSING PERSONS PRESUMED DEAD

1350. As used in this chapter, unless the provision or context otherwise requires, "missing person" means a person who is presumed to be dead under Section 1351.

1351. In proceedings under this division, a person who is absent for a continuous period of five years, during which time the person has not been heard from, and whose absence is not satisfactorily explained after diligent search or inquiry, is presumed to be dead. The person's death is presumed to have occurred at the end of the period unless there is sufficient evidence to establish that death occurred earlier.

1352. The estate of a missing person may be administered and distributed, as though the person were dead, in the manner provided generally for the administration and distribution of estates of deceased persons, subject to the provisions of this chapter, except that no preliminary or final distribution of the property of the missing person shall be made pursuant to Chapter 16 (commencing with Section 1000) until the lapse of one year after the appointment and qualification of the executor or administrator.

1353. (a) If the missing person was a resident of this state at the time of the person's disappearance, the superior court of the county of the person's last known place of residence has jurisdiction for the purposes of this chapter.

(b) If the missing person was a nonresident of this state at the time of the person's disappearance, the superior court of any county where any real property of the missing person is located, or of the county where any personal property is located if there is no real property in this state, has jurisdiction for the purposes of this chapter.

1354. (a) A petition may be filed in the court having jurisdiction under Section 1353 for the administration of the estate or the probate of the last will, as the case may be, of a missing person.

(b) The petition may be filed by any one or more of the following:

(1) The spouse or a member of the family of the missing person.

(2) A person interested in the estate of the missing person.

(3) A friend of the missing person.

(c) In addition to the matters otherwise required in a petition for administration or probate, the petition shall state all of the following:

(1) The last known place of residence of the missing person.

(2) The time and circumstance of the person's disappearance.

(3) That the missing person has not been heard from by the persons most likely to hear (naming them and their relationship to the missing person) for a period of five years and the whereabouts of the missing person is unknown to those persons and to the petitioner.

(4) A description of any search or inquiry made concerning the whereabouts of the missing person.

(d) The petition shall be verified to the best knowledge and belief of the petitioner.

1355. (a) When the petition is filed, the clerk of the court shall set the petition for hearing by the court on a day not less than three months from the date of filing.

(b) Notice of hearing on the petition shall be published in the form of similar notices of hearing in the administration of estates of deceased persons, pursuant to Section 6064 of the Government Code, the first publication to be at least 90 days prior to the day set for the hearing.

(c) Within 20 days after the filing of the petition, notice of the hearing on the petition shall be:

(1) Served on the persons listed in Section 328 in the manner prescribed in that section.

(2) Sent by registered mail to the missing person at his or her last known address.

(d) Proof of such publication, service, and mailing shall be filed at or prior to the hearing.

1356. (a) At the hearing, the court shall determine whether the alleged missing person is a person who is presumed to be dead under Section 1351. In addition to the testimony at the hearing, the court may receive in evidence and consider the affidavits and depositions of persons likely to have heard from or know the whereabouts of the alleged missing person.

(b) If the court is not satisfied that a diligent search or inquiry has been made for the missing person, the court may order the petitioner

to conduct a reasonably diligent search and to report the results of the search. The court may order the search to be made in any manner that seems advisable, including any or all of the following methods:

(1) Inserting in one or more suitable periodicals a notice requesting information from any person having knowledge of the whereabouts of the missing person.

(2) Notifying law enforcement officials and public welfare agencies in appropriate locations of the disappearance of the missing person.

(3) Engaging the services of an investigator.

(c) The costs of any search ordered by the court pursuant to subdivision (b) shall be paid by the petitioner if there is no administration or by the estate of the decedent if there is administration.

1357. (a) If the court finds that the alleged missing person is a person presumed to be dead under Section 1351, the court shall do both of the following:

(1) Appoint an executor or administrator for the estate of the missing person in the manner provided for the estates of deceased persons.

(2) Determine the date of the missing person's death.

(b) The administrator or executor to whom letters have been issued as provided in this chapter shall administer and distribute the estate of the missing person in the same general manner, method of procedure, and with the same force and effect as provided by statute for the administration and settlement of the estates of deceased persons, except as otherwise provided in this chapter.

1358. (a) If the missing person reappears:

(1) The missing person may recover property of the missing person's estate in the hands of the executor or administrator.

(2) The missing person may recover from distributees any property of the missing person's estate that is in their hands, or the value of distributions received by them, to the extent that any recovery from distributees is equitable in view of all the circumstances, but any action under this paragraph is forever barred five years after the time the petition is filed under Section 1354.

(b) The remedies available to the missing person under subdivision (a) are in addition to any remedies available to the missing person by reason of any fraud or intentional wrongdoing.

(c) Except as provided in subdivisions (a) and (b), the decree of final distribution, when it becomes final, is conclusive as to the rights of the missing person and the rights of the heirs, devisees, and legatees of the missing person.

(d) If a dispute exists as to the identity of a person claiming to be a reappearing missing person, the person making the claim or any other interested person may file a petition under Section 1080 for the determination of the identity of the person claiming to be the reappearing missing person.

1359. (a) This chapter applies only to cases where a petition is filed under Section 1354 after December 31, 1983. If a petition is filed under Section 1354 after December 31, 1983, the required period of absence of the alleged missing person may include a period of absence that commenced to run before that date.

(b) This chapter does not apply to any proceeding under former Sections 280 to 294, inclusive, that is pending on December 31, 1983, and the law that applies to such proceeding on December 31, 1983, shall continue to apply after that date.

SEC. 5. Section 1461.7 is added to the Probate Code, to read:

1461.7. Unless the court for good cause dispenses with such notice, notice of the time and place of the hearing on a petition, report, or account, together with a copy of the petition, report, or account, shall be given to the same persons who are required to be given notice under Section 2581 for the period and in the manner provided in this chapter if both of the following conditions exist:

(a) A conservator of the estate has been appointed under Article 5 (commencing with Section 1845) of Chapter 1 of Part 3 for a person who is missing and whose whereabouts is unknown.

(b) The petition, report, or account is filed in the conservatorship proceeding under any one or more of the following provisions:

(1) Section 1861 or 2423.

(2) Article 7 (commencing with Section 2540) of Chapter 6 of Part 4.

(3) Section 2570, 2571, 2580, 2592, or 2620.

(4) Chapter 8 (commencing with Section 2640) of Part 4.

(5) Chapter 9.5 (commencing with Section 2670) of Part 4.

(6) Chapter 3 (commencing with Section 3100) of Part 6.

SEC. 6. Section 1804 is added to the Probate Code, to read:

1804. Subject to Section 1800, a conservator of the estate may be appointed for a person who is missing and whose whereabouts is unknown.

SEC. 7. Article 5 (commencing with Section 1845) is added to Chapter 1 of Part 3 of Division 4 of the Probate Code, to read:

#### Article 5. Special Provisions Applicable Where Proposed Conservatee is a Missing Person

1845. (a) Except as otherwise provided in this article, a conservator of the estate of a person who is missing and whose whereabouts is unknown shall be appointed as provided in Article 3 (commencing with Section 1820).

(b) This article does not apply where the proposed conservatee is an absentee as defined in Section 1403.

1846. In addition to the other required contents of the petition, if the proposed conservatee is a person who is missing and whose whereabouts is unknown, the petition shall state all of the following:

(a) The proposed conservatee owns or is entitled to the possession of real or personal property situated in this state.

(b) The time and circumstance of the person's disappearance and that the missing person has not been heard from by the person most likely to hear (naming them and their relationship to the missing person) since the time of disappearance and that the whereabouts of the missing person is unknown to those persons and to the petitioner.

(c) The last known residence of the missing person.

(d) A description of any search or inquiry made concerning the whereabouts of the missing person.

(e) A description of the estate of the proposed conservatee which requires attention, supervision, and care.

1847. In addition to the persons and entities to whom notice of hearing is required under Section 1822, if the proposed conservatee is a person who is missing and whose whereabouts is unknown:

(a) A copy of the petition for appointment of a conservator and notice of the time and place of the hearing on the petition shall be mailed at least 15 days before the hearing to the proposed conservatee at the last known address of the proposed conservatee.

(b) Notice of the time and place of the hearing shall also be published pursuant to Section 6061 of the Government Code in a newspaper of general circulation in the county in which the proposed conservatee was last known to reside if the proposed conservatee's last known address is in this state.

(c) Pursuant to Section 1462, the court may require that further or additional notice of the hearing be given.

1848. In a proceeding to appoint a conservator of the estate of a person who is missing and whose whereabouts is unknown, the following acts are not required:

(a) Issuance of a citation to the proposed conservatee pursuant to Section 1823.

(b) Service of a citation and petition pursuant to Section 1824.

(c) Production of the proposed conservatee at the hearing pursuant to Section 1825.

(d) Performance of the duties of the court investigator pursuant to Section 1826.

(e) Performance of any other act that depends upon knowledge of the location of the proposed conservatee.

1849. A conservator of the estate of a person who is missing and whose whereabouts is unknown may be appointed only if the court finds all of the following:

(a) The proposed conservatee owns or is entitled to the possession of real or personal property situated in this state.

(b) The proposed conservatee remains missing and his or her whereabouts remains unknown.

(c) The estate of the proposed conservatee requires attention, supervision, and care.

1849.5. (a) This article applies only to cases where a petition is filed under this article after December 31, 1983. After December 31, 1983, a petition may be filed under this article regardless of when the



proposed conservatee became missing or how long the proposed conservatee has been missing.

(b) If a trustee was appointed pursuant to former Section 262, the provisions of former Sections 260 to 272, inclusive, continue to apply to the case after December 31, 1983, unless, upon a petition filed under this article after December 31, 1983, the trustee is replaced by a conservator.

SEC. 8. The heading of Chapter 5 (commencing with Section 3700) of Part 8 of Division 4 of the Probate Code is amended to read:

#### CHAPTER 5. PERSONAL PROPERTY OF ABSENT FEDERAL PERSONNEL

SEC. 9. A heading is added immediately preceding Section 3700 of the Probate Code, to read:

##### Article 1. Definitions

SEC. 10. Section 3700 of the Probate Code is amended to read: 3700. As used in this chapter:

(a) "Absentee" is defined in Section 1403.

(b) "Certificate of missing status" means the official written report complying with Section 1283 of the Evidence Code and showing the determination of the secretary of the military department or the head of the department or agency concerned or the delegate of the secretary or head that the absentee is in missing status.

(c) "Eligible spouse" means the spouse of an absentee who has not commenced an action or proceeding for judicial or legal separation, divorce, annulment, adjudication of nullity, or dissolution of the marriage of the spouse and the absentee.

(d) "Family of an absentee" means an eligible spouse, if any, or if no eligible spouse, the child or children of an absentee, equally, or if no child or children, the parent or parents of an absentee, equally, provided these persons are dependents of the absentee as defined in Section 401 of Title 37 of the United States Code, and the guardian of the estate or conservator of the estate of any person bearing such relationship to the absentee.

(e) "Secretary concerned" is defined in Section 1440.

SEC. 11. A heading is added immediately preceding Section 3701 of the Probate Code, to read:

##### Article 2. Court Proceeding to Set Aside Personal Property of Absentee

SEC. 12. Section 3703 of the Probate Code is amended to read: 3703. (a) The petition shall contain all of the following:

- (1) A statement that the petition is filed under this chapter.
- (2) In its caption, the last known military rank or grade and the

social security account number of the absentee.

(3) A specific description and estimate of the value of all of the absentee's property, wherever situated (including all sums due the absentee from the United States).

(4) A designation of the property to be set aside, and the facts establishing that setting aside the property is necessary and in the best interest of the absentee.

(5) If the property is to be set aside for the benefit of the spouse of the absentee, an allegation that the spouse is an eligible spouse.

(6) So far as known to the petitioner, the names and residences of all persons comprising the family of the absentee, and an allegation whether a guardian of the estate or a conservator of the estate of any member of the family of the absentee has been appointed.

(b) There shall be attached to the petition a certificate of missing status. The certificate of missing status shall be received as evidence of that fact and the court shall not determine the status of the absentee inconsistent with the status shown in the certificate.

SEC. 13. Article 3 (commencing with Section 3710) is added to Chapter 5 of Part 8 of Division 4 of the Probate Code, to read:

### Article 3. Management and Disposition of Personal Property of Absentee Without Court Proceeding

3710. The family of an absentee may collect, receive, dispose of, or engage in any transaction relating to the absentee's personal property situated in California without any judicial proceeding if all the following conditions are satisfied:

(a) The absentee owns no real property situated in California.

(b) The aggregate value of all of the absentee's personal property situated in California is five thousand dollars (\$5,000) or less, excluding any money owed the absentee by the United States.

(c) The family of the absentee needs to dispose of such personal property to provide for shelter, food, health care, education, transportation, or the maintenance of a reasonable and adequate standard of living for the family of the absentee.

3711. (a) If the conditions set forth in Section 3710 are satisfied, the family of the absentee may have any evidence of interest, indebtedness, or right attributable to the absentee's personal property transferred to the family of the absentee, or transferred to the person to whom the property is to be sold or transferred by the family of the absentee, upon furnishing the person (including any governmental body) having custody of the property both of the following:

(1) A certificate of missing status.

(2) An affidavit stating under oath that the provisions of this article are applicable and that the aggregate value of all property received pursuant to this affidavit, together with all other property previously received under this article, does not exceed five thousand dollars (\$5,000).

(b) The receipt of a certificate of missing status and affidavit under subdivision (a) constitutes sufficient acquittance for any payment of money or delivery of property made pursuant to this article and fully discharges the recipient from any further liability concerning the money or property without the necessity of inquiring into the truth of any of the facts stated in the affidavit.

3712. The time within which an absentee may commence an action against any person who executes an affidavit and receives property pursuant to this article commences to run on the earlier of the following dates:

(a) Ninety days after the absentee returns to the continental United States after the termination of the condition that caused the classification of an absentee.

(b) Two years after the termination of the condition that caused the classification of an absentee.

SEC. 14. Article 4 (commencing with Section 3720) is added to Chapter 5 of Part 8 of Division 4 of the Probate Code, to read:

#### Article 4. Absentee's Power of Attorney

3720. If an absentee executed a power of attorney that expires during the period that occasions absentee status, the power of attorney continues in full force and effect until 30 days after the absentee status is terminated. Any person who acts in reliance upon the power of attorney when accompanied by a copy of a certificate of missing status is not liable for relying or acting upon the power of attorney.

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### CHAPTER 202

An act to add Section 351.1 to the Evidence Code, relating to polygraph examinations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1983. Filed with  
Secretary of State July 12, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 351.1 is added to the Evidence Code, to read:

351.1. (a) Notwithstanding any other provision of law, the results of a polygraph examination, the opinion of a polygraph examiner, or any reference to an offer to take, failure to take, or taking of a polygraph examination, shall not be admitted into evidence in any criminal proceeding, including pretrial and post conviction motions and hearings, or in any trial or hearing of a juvenile for a criminal offense, whether heard in juvenile or adult court, unless all parties

stipulate to the admission of such results.

(b) Nothing in this section is intended to exclude from evidence statements made during a polygraph examination which are otherwise admissible.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to establish clear rules for the admission of evidence in criminal cases for the proper administration of justice by the courts it is necessary that this act go into immediate effect.

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## CHAPTER 203

An act to amend Sections 1521 and 3012 of the Unemployment Insurance Code, relating to employment, making an appropriation therefor, to take effect immediately, usual current expenses.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1521 of the Unemployment Insurance Code is amended to read:

1521. The Unemployment Fund is continued in existence as a special fund, separate and apart from all public money or funds of this state. This fund shall consist of (1) all employer contributions collected under this division; (2) interest earned upon any money in the fund; (3) any property or securities acquired through the use of money belonging to the fund; (4) all earnings of such property or securities; (5) all money credited to this state's account in the Unemployment Trust Fund pursuant to Section 903 of the Social Security Act, as amended; and (6) all other money received for the fund from any other source. All money in the fund shall be mingled and undivided.

Notwithstanding Section 13340 of the Government Code, all money in the Unemployment Fund and in the various accounts of that fund, except any money deposited pursuant to Section 1528.5, is continuously appropriated until July 1, 1984, for the purposes authorized in this article.

SEC. 2. Section 3012 of the Unemployment Insurance Code is amended to read:

3012. (a) Notwithstanding Section 13340 of the Government Code, all money in the disability fund is continuously appropriated until July 1, 1984, for the purpose of providing disability benefits pursuant to this part, including the payment of refunds, credits, or judgments, and interest thereon, the payment of disability benefits

to all eligible persons not covered exclusively by an approved voluntary plan, and the payment of the expenses of administration of this part and Sections 17061 and 17061.5 of the Revenue and Taxation Code by the department and the Franchise Tax Board. "Eligible persons" as used in this section, means those individuals who are covered by the disability fund at the time their period of disability commences, or whose employment has terminated or who are in noncovered employment at the time their period of disability commences, and who are otherwise eligible for benefits under this part.

(b) For the purpose of keeping a record of the payments to and the disbursements from the disability fund with respect to the payment of benefits to persons whose employment has terminated or who are in noncovered employment at the time their period of disability commences, the director shall maintain the Unemployed Disabled Account in the disability fund. This account shall be credited with 12 percent of the product obtained by multiplying the rate of worker contributions as determined in Section 984, by the amount of the taxable wages paid to employees covered by voluntary plans for disability benefits for each calendar year. This account shall also be credited with an amount equal to 12 percent of the product obtained by multiplying the rate of worker contributions as determined in Section 984, by the amount of the taxable wages paid to employees covered by the disability fund for each calendar year. This account shall be charged each calendar year with disbursements from the disability fund for the payment of benefits and the additional administrative costs of the payment of benefits to persons whose employment has terminated or who are in noncovered employment at the time their period of disability commences.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

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## CHAPTER 204

An act to amend Section 707.1 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 13, 1983 Filed with  
Secretary of State July 13, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 707.1 of the Welfare and Institutions Code is amended to read:

707.1. (a) If the minor is declared not a fit and proper subject to be dealt with under the juvenile court law, the district attorney or other appropriate prosecuting officer shall acquire the authority to

file an accusatory pleading against the minor in a court of criminal jurisdiction. The case shall proceed from that point according to the laws applicable to a criminal case. If a prosecution has been commenced in another court but has been suspended while juvenile court proceedings are being held, it shall be ordered that the proceedings upon that prosecution shall resume.

(b) (1) Unless the juvenile court specifically orders the individual minor delivered to the custody of the sheriff upon a finding that the presence of the minor in the juvenile hall would endanger the safety of the public or be detrimental to the other inmates detained in juvenile hall, the minor, if detained, shall remain in the juvenile hall pending final disposition by the criminal court or until he or she attains the age of 18, whichever occurs first.

(2) Upon attainment of the age of 18 such a person shall be delivered to the custody of the sheriff unless the court finds that it is in the best interests of the person and the public that he or she be retained in juvenile hall. If a hearing is requested by the person, the transfer shall not take place until after the court has made its findings.

(3) When a person under 18 years of age is detained pursuant to this section in a facility in which adults are confined, it shall be unlawful to permit that person to come or remain in contact with those adults.

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## CHAPTER 205

An act to amend Section 25345.5 of the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25345.5 of the Health and Safety Code is amended to read:

25345.5. (a) Neither the recordkeeping requirements of Section 25342 nor the tax provided in Section 25345 shall apply to hazardous wastes collected by local health officers or county agricultural commissioners which result from voluntary hazardous waste collection programs if the total quantities collected are limited to 1,000 kilograms or less per month from all sources; provided, however, that they comply with all requirements of Chapter 6.5 (commencing with Section 25100) and regulations adopted pursuant thereto. For the purposes of this subdivision, "voluntary hazardous waste collection program" means a program in which small quantities of hazardous wastes are received from nonindustrial

sources, stored, and ultimately transferred to a licensed hazardous waste disposal site. Any hazardous waste collections in excess of 1,000 kilograms per month shall be subject to all requirements of this chapter and Chapter 6.5 (commencing with Section 25100) and regulations adopted pursuant thereto, including, but not limited to, those providing for payment of taxes and recordkeeping.

(b) The tax provided for in Section 25345 shall not apply to hazardous wastes generated or disposed of by local vector control agencies which have entered into a cooperative agreement pursuant to Section 2426 or by county agricultural commissioners if the hazardous wastes result from their control activities and if they comply with the requirements of Chapter 6.5 (commencing with Section 25100) and regulations adopted pursuant thereto.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the March 1 filing deadline for the reporting of the disposal amounts of hazardous waste, and in order to insure the efficient and equitable administration of the Hazardous Substance Account tax, it is necessary that this act take effect immediately.

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## CHAPTER 206

An act to amend Section 15026 of, to add Section 1798.6 to, and to repeal Section 1482.5 of, the Health and Safety Code, relating to health.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1482.5 of the Health and Safety Code is repealed.

SEC. 2. Section 1798.6 is added to the Health and Safety Code, to read:

1798.6. (a) Authority for patient health care management in an emergency shall be vested in that licensed or certified health care professional, which may include any paramedic or other prehospital emergency personnel, at the scene of the emergency who is most medically qualified specific to the provision of rendering emergency medical care. If no licensed or certified health care professional is available, the authority shall be vested in the most appropriate medically qualified representative of public safety agencies who may have responded to the scene of the emergency.

(b) If any county desires to establish a unified command structure for patient management at the scene of an emergency within that

county, a committee may be established in that county comprised of representatives of the agency responsible for county emergency medical services, the county sheriff's department, the California Highway Patrol, public prehospital-care provider agencies serving the county, and public fire, police, and other affected emergency service agencies within the county. The membership and duties of the committee shall be established by an agreement for the joint exercise of powers under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(c) Notwithstanding subdivision (a), authority for the management of the scene of an emergency shall be vested in the appropriate public safety agency having primary investigative authority. The scene of an emergency shall be managed in a manner designed to minimize the risk of death or health impairment to the patient and to other persons who may be exposed to the risks as a result of the emergency condition, and priority shall be placed upon the interests of those persons exposed to the more serious and immediate risks to life and health. Public safety officials shall consult emergency medical services personnel or other authoritative health care professionals at the scene in the determination of relevant risks.

SEC. 3. Section 15026 of the Health and Safety Code is amended to read:

15026. (a) "Hospital building" includes any building not specified in subdivision (b) which is used, or designed to be used, for a health facility of a type required to be licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2.

(b) "Hospital building" shall not include any of the following:

(1) Any building in which only outpatient clinic services are provided and which is separated from a building in which hospital services are provided.

(2) Any building used, or designed to be used, for a skilled nursing facility or intermediate care facility if such building is of single-story, wood frame construction.

(3) Any building of single-story, wood frame construction in which only skilled nursing or intermediate care services are provided if such building is separated from a building housing other patients of the health facility receiving higher levels of care.

(4) Any freestanding structures of a chemical dependency recovery hospital exempted under the provisions of subdivision (c) of Section 1275.2.

(5) Any building which has been used as a community care facility licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 and which was originally licensed to provide that level of care prior to March 7, 1973, if (i) the building complied with applicable building and safety standards at the time of that licensure, (ii) the Director of Health Services, upon application, determines that in order to continue to properly serve the facility's existing client population, relicensure as an intermediate care facility/developmentally disabled will be required, and (iii) a notice



of intent to obtain a certificate of need was filed with the area health planning agency and the Office of Statewide Health Planning and Development on or before March 1, 1983. The exemption provided in this paragraph extends only to use of the building as an intermediate care facility/developmentally disabled.

SEC. 4. The Legislature finds and declares that the amendments to Section 15026 of the Health and Safety Code made by Section 3 of this act are necessary to permit certain community care facilities, which were licensed prior to the effective date of seismic design requirements for health facilities, to obtain licensure as intermediate care facilities/developmentally disabled in order to continue to properly serve their aging client populations. Reconstructing the physical plant of these facilities would be too costly to be economic and would also be disruptive to residents of the facilities. Without the changes proposed in Section 15026, clients receiving satisfactory care for many years will be forced to relocate to another facility, with attendant disruption, or receive care at less than an optimum level. It is, therefore, the intent of the Legislature to permit these facilities to continue to provide adequate care for their client populations by permitting these facilities to obtain relicensure as intermediate care facilities/developmentally disabled without being required to comply with seismic design requirements for health facilities.

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## CHAPTER 207

An act to amend Section 2913 of the Business and Professions Code, relating to psychology and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1983 Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2913 of the Business and Professions Code is amended to read:

2913. A person other than a licensed psychologist may be employed by a licensed psychologist, by a licensed physician and surgeon who is board certified in psychiatry by the American Board of Psychiatry and Neurology, by a clinic which provides mental health services under contract pursuant to Section 5614 of the Welfare and Institutions Code, by a psychological corporation, by a licensed psychology clinic as defined in Section 1204.1 of the Health and Safety Code, or by a medical corporation to perform limited psychological functions provided that all of the following apply:

(a) The person is termed a "psychological assistant."

(b) The person (1) has completed a master's degree in psychology or education with the field of specialization in psychology

or counseling psychology, or (2) has been admitted to candidacy for a doctoral degree in psychology or education with the field of specialization in psychology or counseling psychology, after having satisfactorily completed three or more years of postgraduate education in psychology and having passed preliminary doctoral examinations, or (3) has completed a doctoral degree which qualifies for licensure under Section 2914, in an accredited or approved university, college, or professional school located in the United States or Canada.

(c) The person is at all times under the immediate supervision, as defined in regulations adopted by the committee, of a licensed psychologist, or board certified psychiatrist, who shall be responsible for insuring that the extent, kind, and quality of the psychological services he or she performs are consistent with his or her training and experience and be responsible for his or her compliance with the provisions of this chapter and regulations duly adopted hereunder, including those provisions set forth in Section 2960.

(d) The licensed psychologist, board certified psychiatrist, contract clinic, psychological corporation, or medical corporation, has registered the psychological assistant with the committee. The registration shall be renewed annually in accordance with regulations adopted by the committee.

No licensed psychologist may register, employ, or supervise more than three psychological assistants at any given time unless specifically authorized to do so by the committee. No board certified psychiatrist may register, employ, or supervise more than one psychological assistant at any given time. No contract clinic, psychological corporation, or medical corporation may employ more than 10 such assistants at any one time. No contract clinic may register, employ, or provide supervision for more than one psychological assistant for each designated full-time staff psychiatrist who is qualified and supervises the psychological assistants. No psychological assistant may provide psychological services to the public for a fee, monetary or otherwise, except as an employee of a licensed psychologist, licensed physician, contract clinic, psychological corporation, or medical corporation.

(e) The psychological assistant shall comply with regulations that the committee may, from time to time, duly adopt relating to the fulfillment of requirements in continuing education.

(f) No person shall practice as a psychological assistant who is found by the committee to be in violation of the provisions of Section 2960 and the rules and regulations duly adopted thereunder.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to avoid hardship to persons enrolled in psychology doctoral programs which bypass a master's degree program and who relied on the passage of AB 2199 (1982) (Ch. 462 Stats. 1982) which

was inadvertently chaptered out by Chapter 1172 of the Statutes of 1982, it is necessary that this act go into immediate effect.

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## CHAPTER 208

An act to amend Section 186.4 of the Penal Code, relating to profiteering.

[Approved by Governor July 13, 1983 Filed with  
Secretary of State July 13, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 186.4 of the Penal Code is amended to read:

186.4. (a) The prosecuting agency shall, in conjunction with the criminal proceeding, file a petition of forfeiture with the superior court of the county in which the defendant has been charged with the underlying criminal offense, which shall allege that the defendant has engaged in a pattern of criminal profiteering activity, including the acts or threats chargeable as crimes and the property forfeitable pursuant to Section 186.3. The prosecuting agency shall make service of process of a notice regarding that petition upon every individual who may have a property interest in the alleged proceeds, which notice shall state that any interested party may file a verified claim with the superior court stating the amount of their claimed interest and an affirmation or denial of the prosecuting agency's allegation. If the notices cannot be given by registered mail or personal delivery, the notices shall be published for at least three successive weeks in a newspaper of general circulation in the county where the property is located. If the property alleged to be subject to forfeiture is real property, the prosecuting agency shall, at the time of filing the petition of forfeiture, record a lis pendens in each county in which the real property is situated which specifically identifies the real property alleged to be subject to forfeiture. The judgment of forfeiture shall not affect the interest in real property of any third party which was acquired prior to the recording of the lis pendens.

(b) All notices shall set forth the time within which a claim of interest in the property seized is required to be filed pursuant to Section 186.5.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

## CHAPTER 209

An act to amend Section 86100 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 86100 of the Government Code is amended to read:

86100. Any individual employed or retained as a lobbyist shall register with the Secretary of State before doing anything to influence legislative or administrative action.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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CHAPTER 210

An act to amend Section 40519 of the Vehicle Code, relating to offenses.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 40519 of the Vehicle Code is amended to read:

40519. (a) Any person who has received a written notice to appear for an infraction may, prior to the time at which the person is required to appear, make a deposit and declare the intention to plead not guilty to the clerk of the court named in the notice to appear. The deposit shall be in the amount of bail established pursuant to Section 1269b of the Penal Code, together with any assessment required by Section 42006 or 42050 of this code, for the offense charged, and shall be used for the purpose of guaranteeing the appearance of the defendant at the time and place scheduled by the clerk for arraignment and for trial, and to apply toward the payment of any fine or assessment prescribed by the court in the event of conviction. The case shall thereupon be set for arraignment and trial on the same date, unless the defendant requests separate arraignment.

(b) Any person who has received a written notice to appear for an infraction may, prior to the time at which the person is required

to appear, plead not guilty in writing in lieu of appearing in person. In a county where the board of supervisors has adopted an ordinance providing that a plea of not guilty to a parking violation may be entered in writing in lieu of appearing in person, any person who has received a notice of a parking violation issued under Section 41103 may, prior to the time at which the person is required to appear, plead not guilty in writing in lieu of appearing in person. The written plea shall be directed to the court named in the notice to appear or to the court or city agency indicated on the notice of parking violation and, if mailed, shall be sent by certified or registered mail postmarked not later than five days prior to the day upon which appearance is required. The written plea and request to the court or city agency shall be accompanied by a deposit consisting of the amount of bail established pursuant to Section 1269b of the Penal Code, together with any assessment required by Section 42006 or 42050 of this code, for that offense, which amount shall be used for the purpose of guaranteeing the appearance of the defendant at the time and place set by the court for trial and to apply toward the payment of any fine or assessment prescribed by the court in the event of conviction. Upon receipt of the plea and deposit, the case shall be set for arraignment and trial on the same date, unless the defendant requests separate arraignment. Thereafter, the case shall be conducted in the same manner as if the defendant had appeared in person, had made his or her plea in open court, and had deposited such sum as bail. The court or the clerk of the court shall notify the accused of the time and place of trial by first-class mail postmarked at least 10 days prior to the time set for the trial. Any person using this procedure shall be deemed to have waived the right to be tried within the statutory period.

(c) Any person using the procedure set forth in subdivision (a) or (b) shall be deemed to have given a written promise to appear at the time designated by the court for trial, and failure to appear at the trial shall constitute a misdemeanor.

SEC. 2. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 3. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

## CHAPTER 211

An act to amend Section 683 of the Financial Code, relating to banks.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 683 of the Financial Code is amended to read:

683. The board of each bank and of each trust company shall hold a meeting not less than once each calendar quarter. Regular meetings of the board shall be held within this state. Any regular or special meeting is valid wherever held if held upon written consent of all members of the board given either before or after the meeting and filed with the secretary of the corporation. Special meetings of the board may be held upon four days' notice by mail, unless the articles or bylaws provide otherwise, or 24 hours' notice delivered personally or by telephone or by telegraph, unless the articles or bylaws provide for a shorter period.

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CHAPTER 212

An act to amend Section 27454 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 27454 of the Vehicle Code is amended to read:

27454. No tire on any vehicle upon any highway shall have on its periphery any block, stud, flange, cleat, ridge, bead, or any other protuberance of metal or wood which projects beyond the tread of the traction surface of the tire.

This section does not apply to the following:

(a) Tire chains of reasonable size used to prevent skidding when upon wet surfaces or when upon snow or ice.

(b) Pneumatic tires which have embedded therein wire not to exceed 0.075 of an inch in diameter and which are so constructed that under no conditions will the percentage of metal in contact with the roadway exceed 5 percent of the total tire area in contact with the roadway, except that during the first 1,000 miles of use or operation of any such tire, the metal in contact with the roadway may exceed

5 percent of the tire area in contact with the roadway, but shall in no event exceed 20 percent of such area.

(c) Vehicles operated upon unimproved roadways when necessary in the construction or repair of highways.

(d) Traction engines or tractors when operated under the conditions of a permit first obtained from the Department of Transportation.

(e) Pneumatic tires containing metal-type studs of tungsten carbide or other suitable material and which are so inserted or constructed that under no conditions will the number of studs or the percentage of metal in contact with the roadway exceed 3 percent of the total tire area in contact with the roadway, between the first day of November and the first day of April. The Commissioner of the California Highway Patrol, after consultation with the Department of Transportation, may extend the period during which studded pneumatic tires may be used in any area of the state for the protection of the public because of adverse weather conditions.

(f) Pneumatic tires used on an authorized emergency vehicle, as defined in Section 165, containing metal-type studs of tungsten carbide or other suitable material, if the studs are so inserted or constructed that under no conditions will the number of studs or the percentage of metal in contact with the roadway exceed 3 percent of the total tire area in contact with the roadway. Notwithstanding subdivision (e), authorized emergency vehicles are permitted the unrestricted use of studded pneumatic tires throughout the year.

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## CHAPTER 213

An act to repeal and add Section 104.13 to the Streets and Highways Code, relating to possessory interest taxes.

[Approved by Governor July 13, 1983 Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 104.13 of the Streets and Highways Code is repealed.

SEC. 2. Section 104.13 is added to the Streets and Highways Code, to read:

104.13. (a) The department shall act as agent for the payment of possessory interest taxes due from persons to whom the department leases property of a type described in subdivision (e).

(b) The department shall annually provide a current list of all such property located in each county to the assessor of the county. Notwithstanding any other provision of law, the assessor shall submit the possessory interest tax bill for each property directly to the department, and the department shall be responsible for the

payment of the tax in the manner described in subdivision (c).

(c) All funds distributed to a county pursuant to Section 104.10 shall be deemed to be in full or partial payment on the total possessory interest taxes due on the property described in subdivision (e) located in the county. If the amount transferred to a county pursuant to Section 104.10 in any year is less than the total possessory interest tax due on all the property located in the county, the department shall promptly forward to the county the amount of the balance due.

(d) In lieu of the information required by Section 107.6 of the Revenue and Taxation Code, all leases of property of a type described in subdivision (e) shall contain a statement that the department will pay all possessory interest taxes arising from the lease and that the amount of rent charged reflects the cost of this added responsibility of the department.

(e) This section shall apply only to real property held for future state highway needs and to real property originally held for that purpose, which the department has determined is no longer needed for that purpose, prior to its sale or exchange by the department.

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## CHAPTER 214

An act to amend Sections 87200 and 87500 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 87200 of the Government Code is amended to read:

87200. This article is applicable to elected state officers, judges of courts of record, members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Commission, members of planning commissions, members of the board of supervisors, district attorneys and chief administrative officers of counties, mayors, city managers, chief administrative officers and members of city councils of cities, and to candidates for any of these offices at any election.

SEC. 2. Section 87500 of the Government Code is amended to read:

87500. Statements of economic interests required by this chapter shall be filed as follows:

(a) Statewide elected officer—one original with the agency which shall make and retain a copy and forward the original to the



commission, which shall retain the original and send one copy to the Registrar-Recorder of Los Angeles County and one copy with the Clerk of the City and County of San Francisco. The commission shall be the filing officer.

(b) Candidates for statewide elective office—one original with the person with whom the candidate's declaration of candidacy is filed, who shall forward the original to the commission which shall retain the original and send one copy to the Registrar-Recorder of Los Angeles County and one copy with the Clerk of the City and County of San Francisco. The commission shall be the filing officer.

(c) Members of the Legislature and Board of Equalization—one original with the agency which shall make and retain a copy and forward the original to the commission, which shall retain the original and send one copy to the clerk of the county which contains the largest percentage of registered voters in the election district which the officeholder represents, and one copy to the clerk of the county in which the officeholder resides. No more than one copy of each statement need be filed with the clerk of any one county. The commission shall be the filing officer.

(d) Candidates for the Legislature or the Board of Equalization—one original with the person with whom the candidate's declaration of candidacy is filed, who shall forward the original to the commission which shall retain the original and send one copy to the clerk of the county which contains the largest percentage of registered voters in the election district in which the candidate seeks nomination or election, and one copy to the clerk of the county in which the candidate resides. No more than one copy of each statement need be filed with the clerk of any one county. The commission shall be the filing officer.

(e) Persons holding the office of chief administrative officer and candidates for and persons holding the office of district attorney and member of the board of supervisors—one original with the county clerk who shall make and retain a copy and forward the original to the commission which shall be the filing officer.

(f) Persons holding the office of city manager or, if there is no city manager, the chief administrative officer, and candidates for and persons holding the office of city councilmember and mayor—one original with the city clerk who shall make and retain a copy and forward the original to the commission which shall be the filing officer.

(g) Members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, planning commissioners, and members of the California Coastal Commission—one original with the agency which shall make and retain a copy and forward the original to the commission which shall be the filing officer.

(h) Members of the Fair Political Practices Commission—one original with the commission which shall make and retain a copy and forward the original to the office of the Attorney General which shall

be the filing officer.

(i) Judges of courts of record—one original with the clerk of the court who shall make and retain a copy and forward the original to the commission which shall be the filing officer.

(j) Heads of agencies, members of boards or commissions not under a department of state government, or members of boards or commissions not under the jurisdiction of a local legislative body, one original with the agency, which shall make and retain a copy and forward the original to the code reviewing body which shall be the filing officer. In its discretion, the code reviewing body may provide that the original be filed directly with the code reviewing body and that no copy be retained by the agency.

(k) Persons not mentioned above—one original with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.

SEC. 3. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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## CHAPTER 215

An act to amend Section 25503.1 of, and to amend and repeal Section 25600 of, the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25503.1 of the Business and Professions Code is amended to read:

25503.1. (a) Anything in this division to the contrary notwithstanding, any manufacturer, winegrower, manufacturer's agent, rectifier, distiller, bottler, importer, or wholesaler, or any officer, director, or agent of any such person is authorized:

(1) Only in connection with alcoholic beverages manufactured, produced or sold by such licensee, to install, service and set up window displays, promotional materials, and temporary floor displays holding merchandise in the premises of an off-sale retail licensee.

(2) Only in connection with alcoholic beverages manufactured, produced or sold by such licensee, to furnish, give, lend, rent or sell decorations and decorative materials, including holiday decorations, paintings and pictures, to an off-sale retail licensee for use in the windows and elsewhere in the interior of the retail premises in

connection with advertising and promotional material or displays in the premises of such retailer; provided, that the advertising and promotional material shall have no intrinsic value other than as advertising and that the total original cost of all such decorations and decorative materials, including holiday decorations, paintings and pictures furnished by any licensee and in use at any one time in any one off-sale retail premise shall not exceed the amount established by rules of the department; and provided, that the licensee or any officer, director or agent of such licensee shall not directly or indirectly pay or credit the retailer for the display of such decorations or decorative materials or for any expense incidental to their operation.

(3) To furnish, give, lend, rent or sell to an off-sale retailer who sells the alcoholic beverages of such licensee, newspaper cuts, mats, or engraved blocks for use in the retailer's advertisements relating to such alcoholic beverages.

(b) Anything in this chapter to the contrary notwithstanding, any holder of a wholesaler's license may manufacture, and distribute, sell, or rent any lawful product to any person engaged in operating, owning, or maintaining any retail premises where alcoholic beverages are sold; provided, however, that such products are sold or rented by the holder of the wholesaler's license to the licensee at a price not less than the current market price for such product; and provided, further, that the manufacturer and importer of alcoholic beverages shall be controlled by the other applicable provisions of this division.

SEC. 2. Section 25600 of the Business and Professions Code is amended to read:

25600. No licensee shall, directly or indirectly, give any premium, gift, or free goods in connection with the sale or distribution of any alcoholic beverage except as provided by rules which shall be adopted by the department to implement this section or except as authorized by this division.

No rule of the department may permit a licensee to give any premium, gift or free goods of greater than inconsequential value in connection with the sale or distribution of beer.

This section shall remain in effect until January 1, 1986, and on that date it shall be repealed unless a later enacted statute extends or otherwise changes that date of repeal.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Pursuant to the passage of legislation which mandates that state agencies review their regulations to determine if they are properly based upon existing statutes, the Department of Alcoholic Beverage Control is proposing to repeal its Rule 106 which relates to advertising and merchandising of alcoholic beverages. While this rule is not based firmly upon a statute, it has for many years served

as an effective guideline to the alcoholic beverage industry for trade practices, and its repeal would create extensive disorderly marketing problems affecting all levels of the alcoholic beverage industry and the public. As the passage of this legislation would permit a reinstatement of a similar rule fully based upon statutes, if it is passed before the impending rule repeal as proposed by the Department of Alcoholic Beverage Control, it is necessary that this act take effect immediately.

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## CHAPTER 216

An act to amend Section 25608 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 13, 1983 Filed with  
Secretary of State July 13, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25608 of the Business and Professions Code is amended to read:

25608. Every person who possesses, consumes, sells, gives, or delivers to any other person, any alcoholic beverage in or on any public schoolhouse or any of the grounds thereof, is guilty of a misdemeanor. This section does not, however, make it unlawful for any person to acquire, possess, or use any alcoholic beverage in or on any public schoolhouse, or on any grounds thereof, if either of the following applies:

(a) The alcoholic beverage is acquired, possessed, or used in connection with a course of instruction given at the school and the person has been authorized to acquire, possess, or use it by the governing body or other administrative head of the school.

(b) The public schoolhouse is surplus school property and the grounds thereof are leased to a lessee which is a general law city with a population of less than 50,000, or the public schoolhouse is surplus school property and the grounds thereof are located in an unincorporated area and are leased to a lessee which is a civic organization, and the property is to be used for community center purposes and no public school education is to be conducted thereon by either the lessor or the lessee and the property is not being used by persons under the age of 21 years for recreational purposes at any time during which alcoholic beverages are being sold or consumed on the premises.

Any person convicted of a violation of this section shall, in addition to the penalty imposed for the misdemeanor, be barred from having or receiving any privilege of the use of public school property which is accorded by Chapter 4 (commencing with Section 16551) of Division 12 of the Education Code.

## CHAPTER 217

An act to amend Section 79020 of the Education Code, relating to community colleges.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 79020 of the Education Code is amended to read:

79020. Except as otherwise provided the community colleges shall continue in session or close on specified holidays as follows:

(a) The community colleges shall close on January 1st, February 12th known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4th, the first Monday in September known as "Labor Day," November 11th known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," and December 25th.

(b) The Governor in appointing any other day for a public fast, thanksgiving, or holiday may provide whether the community colleges shall close on the day. If the Governor does not provide whether the community colleges shall close, they shall continue in session on all special or limited holidays appointed by the Governor, but shall close on all other days appointed by the Governor for a public fast, thanksgiving, or holiday.

(c) The community colleges shall close on every day appointed by the President as a public fast, thanksgiving, or holiday, unless it is a special or limited holiday.

(d) The community colleges shall continue in session on all legal holidays other than those designated by or pursuant to this section, or Section 79022, and shall hold proper exercises commemorating the day.

(e) When any of the holidays on which the schools would be closed fall on Sunday, the community colleges shall close on the Monday following, except that (1) if Lincoln Day falls on a Sunday, the community colleges may observe this holiday on the preceding Friday, the following Monday, or the following Tuesday, and maintain classes on the date specified in subdivision (a) where applicable, or (2) if Lincoln Day falls on a Monday, the community colleges may observe this holiday on the preceding Friday, that Monday, or the following Tuesday, and maintain classes on the date specified in subdivision (a) where applicable.

(f) When any of the holidays on which the schools would be closed fall on Saturday, the community colleges shall close on the preceding Friday, and that Friday shall be declared a state holiday.

(g) If any holiday on which the community colleges are required

to close pursuant to subdivision (a) occurs under federal law on a date different than the date specified in subdivision (a), the governing board of any community college district may close the community colleges of the district on the date recognized by federal law and maintain classes on the date specified in subdivision (a).

(h) When Veterans Day or Lincoln Day would fall on Tuesday, the governing board of a community college district may close the colleges on the preceding Monday, and maintain classes on the date specified in subdivision (a). When Veterans Day or Lincoln Day would fall on Wednesday, the governing board of a community college district may close the colleges on either the preceding Monday or the following Friday, and maintain classes on the date specified in subdivision (a). When Veterans Day or Lincoln Day would fall on Thursday, the governing board of a community college district may close the colleges on the following Friday, and maintain classes on the date specified in subdivision (a).

(i) Nothing in this section is to be interpreted as authorizing a community college district governing board to maintain community colleges in its district for a lesser number of days during the college year than the minimum established by law.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

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## CHAPTER 218

An act to add Section 938.5 to the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 938.5 is added to the Unemployment Insurance Code, to read:

938.5. "Wages" does not include any payment received by a member of the National Guard or reserve component of the armed forces for inactive duty training, annual training, or emergency state active duty.

## CHAPTER 219

An act to amend Section 117.12 of the Code of Civil Procedure, relating to small claims court.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 13, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 117.12 of the Code of Civil Procedure is amended to read:

117.12. The judgment of the superior court shall be final and not appealable. If the judgment is affirmed in whole or in part or the appeal is dismissed, the defendant shall pay to the plaintiff the amount of the judgment as affirmed, together with interest and costs and the sum of fifteen dollars (\$15) as an attorney's fee upon such terms and conditions as the judge shall prescribe. However, if the judge finds that the appeal was without substantial merit and not based on good faith, but intended to harass, delay, or encourage plaintiff to abandon his or her claim, the judge may award attorney's fees of up to, but not exceeding, two hundred fifty dollars (\$250), following a hearing on the matter.

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CHAPTER 220

An act to add Article 5.5 (commencing with Section 29410) to Chapter 2 of Division 3 of Title 3 of the Government Code, relating to county funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Article 5.5 (commencing with Section 29410) is added to Chapter 2 of Division 3 of Title 3 of the Government Code, to read:

Article 5.5. District Attorney's Family or Child Support Trust  
Fund

29410. The board of supervisors of a county may establish a district attorney's family or child support trust fund pursuant to this article.

29411. In any county that establishes a district attorney's family or child support trust fund pursuant to this article, the board of

supervisors shall make such amounts available annually to the district attorney's family or child support office as determined to be necessary by the auditor-controller. The auditor-controller shall cause those amounts to be transferred to the district attorney's family or child support trust fund.

29412. The district attorney's family or child support office shall use the trust fund solely for the purpose of advancing reimbursement for moneys erroneously attached or intercepted by a government agency for payment of a delinquent support obligation.

29413. Upon the presentation by the district attorney's family or child support office of his or her requisition to the auditor, the auditor shall draw a warrant in favor of the district attorney's family or child support office on the trust fund for such amounts as the district attorney's family or child support office requires, within seven working days of the presentation of the requisition to the auditor. The treasurer shall pay the warrant.

29414. (a) The district attorney's family or child support office shall forward attached or intercepted moneys upon which advances were made to the trust fund within three days of receipt from the attaching or intercepting agency.

(b) The district attorney's family or child support office shall not designate the application of money returned to the trust fund to a specific case.

29415. The district attorney's family or child support trust fund is in addition to any other appropriations at his or her disposal, and this article shall not be construed to limit or affect any provision of law relative to the expenses of the district attorney which are incurred by him or her and paid as other county claims after allowance by the board of supervisors.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to achieve their intended effect, it is necessary that this act take effect at the earliest possible date.

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## CHAPTER 221

An act to amend Sections 1737 and 1737.1 of the Welfare and Institutions Code, relating to youth.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983 ]



*The people of the State of California do enact as follows:*

SECTION 1. Section 1737 of the Welfare and Institutions Code is amended to read:

1737. When a person has been committed to the custody of the authority, if it is deemed warranted by a diagnostic study and recommendation approved by the director, the judge who ordered the commitment or, if the judge is not available, the presiding or sole judge of the court, within 120 days of the date of commitment on his or her own motion, or the court, at any time thereafter upon recommendation of the director, may recall the commitment previously ordered and resentence the person as if he or she had not previously been sentenced. The time served while in custody of the authority shall be credited toward the term of any person resentenced pursuant to this section.

As used in this section, "time served while in custody of the authority" means the period of time during which the person was physically confined in a state institution by order of the Youth Authority or the Youthful Offender Parole Board.

SEC. 2. Section 1737.1 of the Welfare and Institutions Code is amended to read:

1737.1. Whenever any person who has been convicted of a public offense in adult court and committed to and accepted by the Youth Authority appears to the Youthful Offender Parole Board, either at the time of his or her first appearance before the board or thereafter, to be an improper person to be retained by the Youth Authority, or to be so incorrigible or so incapable of reformation under the discipline of the Youth Authority as to render his or her detention detrimental to the interests of the Youth Authority and the other persons committed thereto, the board may order the return of such a person to the committing court. The court may then commit the person to a state prison or sentence him or her to a county jail as provided by law for punishment of the offense of which he or she was convicted. The maximum term of imprisonment for a person committed to a state prison under this section shall be a period equal to the maximum term prescribed by law for the offense of which he or she was convicted less the period during which he or she was under the control of the Youth Authority. This section shall not apply to commitments from juvenile court.

As used in this section "period during which he or she was under the control of the Youth Authority" means the period of time during which he or she was physically confined in a state institution by order of the Youth Authority or Youthful Offender Parole Board.

## CHAPTER 222

An act to amend Section 26700 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 26700 of the Vehicle Code is amended to read:

26700. (a) Except as provided in subdivision (b), a passenger vehicle, other than a motorcycle, and every bus, motortruck or truck tractor, and every firetruck, fire engine or other fire apparatus, whether publicly or privately owned, shall be equipped with an adequate windshield.

(b) Subdivision (a) does not apply to any vehicle issued identification plates pursuant to Section 5004 which was not required to be equipped with a windshield at the time it was first sold or registered under the laws of this state, another state, or foreign jurisdiction.

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CHAPTER 223

An act to amend Sections 11352.5, 11357, and 11360 of the Health and Safety Code, and to amend Sections 1203.04 and 1203.07 of the Penal Code, relating to controlled substances.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 11352.5 of the Health and Safety Code is amended to read:

11352.5. The court shall impose a fine not exceeding fifty thousand dollars (\$50,000), in the absence of a finding that the defendant would be incapable of paying such a fine, in addition to any term of imprisonment provided by law for any of the following persons:

(1) Any person who is convicted of violating Section 11351 of the Health and Safety Code by possessing for sale 14.25 grams or more of a substance containing heroin.

(2) Any person who is convicted of violating Section 11352 of the Health and Safety Code by selling or offering to sell 14.25 grams or more of a substance containing heroin.

(3) Any person convicted of violating Section 11351 of the Health

and Safety Code by possessing heroin for sale or convicted of violating Section 11352 of the Health and Safety Code by selling or offering to sell heroin, and who has one or more prior convictions for violating Section 11351 or Section 11352 of the Health and Safety Code.

SEC. 2. Section 11357 of the Health and Safety Code is amended to read:

11357. (a) Except as authorized by law, every person who possesses any concentrated cannabis shall be punished by imprisonment in the county jail for a period of not more than one year or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment, or shall be punished by imprisonment in the state prison.

(b) Except as authorized by law, every person who possesses not more than 28.5 grams of marijuana, other than concentrated cannabis, is guilty of a misdemeanor and shall be punished by a fine of not more than one hundred dollars (\$100). Notwithstanding other provisions of law, if such person has been previously convicted three or more times of an offense described in this subdivision during the two-year period immediately preceding the date of commission of the violation to be charged, the previous convictions shall also be charged in the accusatory pleading and, if found to be true by the jury upon a jury trial or by the court upon a court trial or if admitted by the person, the provisions of Sections 1000.1 and 1000.2 of the Penal Code shall be applicable to him, and the court shall divert and refer him for education, treatment, or rehabilitation, without a court hearing or determination or the concurrence of the district attorney, to an appropriate community program which will accept him. If the person is so diverted and referred he shall not be subject to the fine specified in this subdivision. If no community program will accept him, the person shall be subject to the fine specified in this subdivision. In any case in which a person is arrested for a violation of this subdivision and does not demand to be taken before a magistrate, such person shall be released by the arresting officer upon presentation of satisfactory evidence of identity and giving his written promise to appear in court, as provided in Section 853.6 of the Penal Code, and shall not be subjected to booking.

(c) Except as authorized by law, every person who possesses more than 28.5 grams of marijuana, other than concentrated cannabis, shall be punished by imprisonment in the county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(d) Except as authorized by law, every person who possesses marijuana upon the grounds of, or within, any school providing instruction in kindergarten or, any of grades 1 through 12, inclusive, during hours in which the school is open for classes or school-related programs is guilty of a misdemeanor to be punished by a fine not to exceed five hundred dollars (\$500), or by imprisonment in the county jail for a period of not more than 10 days, or both; provided,

that except as authorized by law, every minor who possesses marijuana upon the grounds of, or within, any school providing instruction in kindergarten or, any of grades 1 through 12, inclusive, during hours in which the school is open for classes or school-related programs is guilty of a misdemeanor to be punished by a fine not to exceed two hundred fifty dollars (\$250) for a first offense; and provided further, that except as authorized by law, every minor who possesses marijuana upon the grounds of, or within, any school providing instruction in kindergarten or, any of grades 1 through 12, inclusive, during hours in which the school is open for classes or school-related programs is guilty of a misdemeanor to be punished by a fine not to exceed five hundred dollars (\$500), or by imprisonment in the county jail for a period of not more than 10 days, or both, for the second and each subsequent conviction of a violation of this subdivision.

SEC. 3. Section 11360 of the Health and Safety Code is amended to read:

11360. (a) Except as otherwise provided by this section or as authorized by law, every person who transports, imports into this state, sells, furnishes, administers, or gives away, or offers to transport, import into this state, sell, furnish, administer, or give away, or attempts to import into this state or transport any marijuana shall be punished by imprisonment in the state prison for a period of two, three or four years.

(b) Except as authorized by law, every person who gives away, offers to give away, transports, offers to transport, or attempts to transport not more than 28.5 grams of marijuana, other than concentrated cannabis, is guilty of a misdemeanor and shall be punished by a fine of not more than one hundred dollars (\$100). In any case in which a person is arrested for a violation of this subdivision and does not demand to be taken before a magistrate, such person shall be released by the arresting officer upon presentation of satisfactory evidence of identity and giving his written promise to appear in court, as provided in Section 853.6 of the Penal Code, and shall not be subjected to booking.

SEC. 4. Section 1203.04 of the Penal Code, as added by Chapter 1283 of the Statutes of 1982, is amended to read:

1203.04. (a) A person convicted of a felony specified in subdivision (b) may be granted probation only in an unusual case where the interests of justice would best be served; when probation is granted in such a case, the court shall specify on the record and shall enter in the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(b) Except as provided in subdivision (a), probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any of the following persons:

(1) Any person who is convicted of violating Section 11351 of the Health and Safety Code by possessing for sale 28.5 grams or more of cocaine, or a substance containing 28.5 grams or more of cocaine.

(2) Any person who is convicted of violating Section 11378 of the Health and Safety Code by possessing for sale 28.5 grams or more of methamphetamine, or a substance containing 28.5 grams or more of methamphetamine.

SEC. 5. Section 1203.07 of the Penal Code is amended to read:

1203.07. (a) Notwithstanding the provisions of Section 1203, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any of the following persons:

(1) Any person who is convicted of violating Section 11351 of the Health and Safety Code by possessing for sale 14.25 grams or more of a substance containing heroin.

(2) Any person who is convicted of violating Section 11352 of the Health and Safety Code by selling or offering to sell 14.25 grams or more of a substance containing heroin.

(3) Any person convicted of violating Section 11351 of the Health and Safety Code by possessing heroin for sale or convicted of violating Section 11352 of the Health and Safety Code by selling or offering to sell heroin, and who has one or more prior convictions for violating Section 11351 or Section 11352 of the Health and Safety Code.

(4) Any person who is convicted of violating Section 11378.5 of the Health and Safety Code by possessing for sale 14.25 grams or more of any salt or solution of any controlled substance specified in subdivision (e) of Section 11055.

(5) Any person who is convicted of violating Section 11379.5 of the Health and Safety Code by transporting for sale, importing for sale, or administering phencyclidine, or offering to transport for sale, import for sale, or administer phencyclidine, or by attempting to import for sale or transport for sale phencyclidine.

(6) Any person who is convicted of violating Section 11379.5 or 11380.5 of the Health and Safety Code by manufacturing, selling, or offering to sell phencyclidine, or using, soliciting, inducing, encouraging, or intimidating a minor to manufacture, compound, or sell phencyclidine.

(7) Any person who is convicted of violating Section 11380.5 of the Health and Safety Code by the use of a minor as an agent or who solicits, induces, encourages, or intimidates a minor with the intent that the minor shall violate the provisions of Section 11378.5 or 11379.5 of the Health and Safety Code.

(8) Any person who is convicted of violating subdivision (b) of Section 11383 of the Health and Safety Code by possessing piperidine and cyclohexanone with intent to manufacture.

(b) The existence of any fact which would make a person ineligible for probation under subdivision (a) shall be alleged in the information or indictment, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury.

## CHAPTER 224

An act to add Section 66021 to the Education Code, relating to student financial aid.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 66021 is added to the Education Code, to read:

66021. It is the intent of the Legislature that the Budget Act for each fiscal year provide sufficient funding for financial aid for students with demonstrated financial need at the University of California, the California State University, and California community colleges to offset increases in student charges at those institutions.

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CHAPTER 225

An act to amend Section 51350 of the Government Code, relating to contracts for county services to cities.

[Approved by Governor July 13, 1983 Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 51350 of the Government Code is amended to read:

51350. A county which provides services through its appropriate departments, boards, commissions, officers or employees, to any city pursuant to contract or as authorized by law, shall charge the city all those costs which are incurred in providing the services so contracted or authorized. A county shall not charge a city contracting for a particular service, either as a direct or an indirect overhead charge, any portion of those costs which are attributable to services made available to all portions of the county, as determined by resolution of the board of supervisors, or which are general overhead costs of operation of the county government. General overhead costs, for the purpose of this section, are those costs which a county would incur regardless of whether or not it provided a service under contract to a city.

Any determination of general overhead costs shall be subject to court review as to the reasonableness of such determination.

This section does not apply to a contract or agreement in effect on December 31, 1983, made by a county.

SEC. 2. It is the intent of the Legislature to encourage

intergovernmental contracts which eliminate the need for duplicate facilities, equipment, and personnel, and which thereby reduce the overall cost of government. In furtherance of this intent, a county which supplies contract services to the cities therein, shall charge such cities all the costs for such services incurred by the county which are attributable to the service provided.

This section does not apply to a contract or agreement in effect on December 31, 1983, made by a county.

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## CHAPTER 226

An act to amend Sections 73433, 73433.1, 73434, 73435, 73436, and 73437 of the Government Code, relating to courts.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 73433 of the Government Code is amended to read:

73433. There shall be one clerk-administrator in each municipal court who shall be appointed by and serve at the pleasure of a majority of the judges of the court to which the clerk-administrator is appointed. In a court with less than three judges, the presiding judge shall appoint the clerk-administrator of the court. The clerk-administrator of the East Kern Municipal Court shall receive the biweekly salary specified in range 45.1 of the salary schedule. The clerk-administrator of the West Kern Municipal Court shall receive the biweekly salary specified in range 50.9 of the salary schedule. The salary of the West Kern Municipal Court clerk-administrator shall be not less than 12 full range steps higher than the salary range in which the position of chief deputy court clerk is compensated.

SEC. 2. Section 73433.1 of the Government Code is amended to read:

73433.1. There shall be one assistant clerk-administrator in the West Kern Municipal Court who shall be appointed by and serve at the pleasure of the majority of the judges of the court. The assistant clerk-administrator shall receive the biweekly salary specified in range 46.9 of the salary schedule.

SEC. 3. Section 73434 of the Government Code is amended to read:

73434. There shall be one judicial secretary in the West Kern Municipal Court who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The judicial secretary shall receive a biweekly salary specified in range 37.8 of the salary schedule.

SEC. 4. Section 73435 of the Government Code is amended to

read:

73435. The clerk-administrator of the West Kern Municipal Court may appoint:

(a) Four chief deputy court clerks who shall act as the supervisors of the civil, criminal, traffic, and accounting divisions of the court and each of whom shall receive the biweekly salary specified in range 38.3 of the salary schedule.

(b) Five deputy court clerks III, each of whom shall receive the biweekly salary specified in range 36.4 of the salary schedule.

(c) Fourteen municipal courtroom clerks or junior municipal courtroom clerks, each of whom shall receive the biweekly salary specified in ranges 36.4 and 33.6, respectively, of the salary schedule.

Junior municipal courtroom clerk shall be the entrance position to courtroom clerk. The clerk-administrator, with the concurrence of the presiding judge, may advance any junior municipal courtroom clerk to the position of municipal courtroom clerk without further examination, if the junior municipal courtroom clerk has served for six months and otherwise meets the qualifications for municipal courtroom clerk and if the presiding judge is satisfied with the junior municipal courtroom clerk's performance during the six-month period.

(d) One data entry operator III who shall receive the biweekly salary specified in range 33.3 of the salary schedule.

(e) Four data entry operators II or I, each of whom shall receive the biweekly salary specified in ranges 31.3 and 29.3, respectively, of the salary schedule. Data entry operator I shall be the entrance position to the data entry operator series. The clerk-administrator may advance any data entry operator I to the position of data entry operator II without further examination if the data entry operator I has served for one year and otherwise meets the qualifications for data entry operator II.

(f) One account clerk IV who shall receive the biweekly salary specified in range 35.9 of the salary schedule.

(g) One account clerk III who shall receive the biweekly salary specified in range 33.1 of the salary schedule.

(h) Four account clerks II or I each of whom shall receive the biweekly salary specified in ranges 30.4 and 27.6, respectively, of the salary schedule. Account clerk I shall be the entrance position to the account clerk series. The clerk-administrator may advance any account clerk I to the position of account clerk II without further examination if the account clerk I has served for one year and otherwise meets the qualifications for account clerk II.

(i) Thirty-one full-time deputy court clerks II, I, or junior deputy court clerks, each of whom shall receive the biweekly salary specified in ranges 33.6, 29.6, and 26.8, respectively, of the salary schedule.

Junior deputy court clerk shall be the entrance position to the clerk's staff. The clerk-administrator may advance any junior deputy court clerk to the position of deputy court clerk I without further examination, if the junior deputy has served for six months and



otherwise meets the qualifications for deputy court clerk I. The clerk-administrator may advance any deputy court clerk I to the position of deputy court clerk II without further examination if the deputy court clerk I has served for six months and otherwise meets the qualifications for deputy court clerk II.

(j) One secretary who shall receive the biweekly salary specified in range 34.5 of the salary schedule.

(k) One legal clerk I who shall receive the biweekly salary specified in range 35.0 of the salary schedule.

(l) One records clerk who shall receive the biweekly salary specified in range 33.1 of the salary schedule.

(m) One accountant II or I who shall receive the biweekly salary specified in range 42.6 or 39.9, respectively, of the salary schedule.

SEC. 5. Section 73436 of the Government Code is amended to read:

73436. The clerk-administrator of the East Kern Municipal Court may appoint:

(a) Three deputy court clerks III, each of whom shall receive the biweekly salary specified in range 36.4 of the salary schedule.

(b) Eight full-time and two part-time deputy court clerks II, I, or junior deputy court clerks, each of whom shall receive the biweekly salary specified in ranges 33.6, 29.6, and 26.8, respectively, of the salary schedule.

Junior deputy court clerk shall be the entrance position to the clerk's staff. The clerk-administrator may advance any junior deputy court clerk to the position of deputy court clerk I without further examination, if the junior deputy has served for six months and otherwise meets the qualifications for deputy court clerk I. The clerk-administrator may advance any deputy court clerk I to the position of deputy court clerk II without further examination if the deputy court clerk I has served for six months and otherwise meets the qualifications for deputy court clerk II.

SEC. 6. Section 73437 of the Government Code is amended to read:

73437. (a) Whenever reference to a numbered salary range of the salary schedule is made in any section of this article, the schedule of salary ranges found in the salary ordinance of the County of Kern in effect on January 1, 1983, shall apply. The employees of the municipal courts shall be paid biweekly pursuant to the payroll procedures in effect in the County of Kern.

(b) The minimum salary for each position shall normally be "step A" for the position. If it is difficult to secure qualified personnel at that step or if a person of unusual qualifications is engaged, the court or the clerk-administrator may hire at any step of the salary range applicable to the position.

(c) Any employee who is promoted or whose position is reclassified from one class position to a higher class position shall be placed in the step level of the higher class salary range which most closely approximates a one-step increase from the former position,

except that such increase shall not exceed an amount equivalent to 1.4 steps in the salary schedule. In the event the "A" step of the higher class position is greater than a 1.4-step increase over the salary of the employee in the lower class position, the employee shall be placed at the "A" step in the salary range of the higher class position.

(d) The Board of Supervisors of the County of Kern may adjust the salaries paid to employees of the municipal courts as part of its county employee compensation plan. Such adjustment shall be effective on the same date as the effective date of the action of the board of supervisors to adjust compensation of other county employees. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

(e) In addition to the compensation provided in this article, the attachés of the municipal court shall receive, and they shall be entitled to, the same vacations, sick leaves, and similar privileges and benefits as are now or may hereafter be provided for the employees of the County of Kern, including the right to participate in any group, accident, health or life insurance plan adopted by the Board of Supervisors of the County of Kern.

SEC. 7. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

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## CHAPTER 227

An act to amend Section 409.5 of the Penal Code, relating to the authority of peace officers to close a disaster area.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 409.5 of the Penal Code is amended to read:

409.5. (a) Whenever a menace to the public health or safety is created by a calamity such as flood, storm, fire, earthquake, explosion, accident or other disaster, officers of the California Highway Patrol, California State Police, police departments, marshal's office or sheriff's office, any officer or employee of the Department of Forestry designated a peace officer by subdivision (f) of Section 830.3, and any officer or employee of the Department of Parks and Recreation designated a peace officer by subdivision (i) of Section 830.3, may close the area where the menace exists for the duration thereof by means of ropes, markers or guards to any and all

persons not authorized by such officer to enter or remain within the closed area. If such a calamity creates an immediate menace to the public health, the local health officer may close the area where the menace exists pursuant to the conditions which are set forth above in this section.

(b) Officers of the California Highway Patrol, California State Police, police departments, marshal's office or sheriff's office or officers of the Department of Forestry designated as peace officers by subdivision (f) of Section 830.3 may close the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating any calamity enumerated in this section or any riot or other civil disturbance to any and all unauthorized persons pursuant to the conditions which are set forth in this section whether or not such field command post or other command post is located near to the actual calamity or riot or other civil disturbance.

(c) Any unauthorized person who willfully and knowingly enters an area closed pursuant to subdivision (a) or (b) and who willfully remains within such area after receiving notice to evacuate or leave shall be guilty of a misdemeanor.

(d) Nothing in this section shall prevent a duly authorized representative of any news service, newspaper, or radio or television station or network from entering the areas closed pursuant to this section.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 228

An act to amend Sections 5076, 6420, 6702, 6705.8, 6900, 7157, and 7185 of, and to add Sections 6430, 6800, 7415, and 7420 to, the Financial Code, relating to savings and loan associations.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5076 of the Financial Code is amended to read:

5076. "Statutory net worth" means the sum of the following:

(a) Issued and outstanding guarantee stock.

- (b) Paid-in-surplus.
- (c) Undivided profits.
- (d) Pledged shares of a mutual association with the approval of the commissioner.
- (e) General reserves and other amounts as the commissioner prescribes.
- (f) Net worth certificates issued by an association pursuant to subdivision (f) of Section 406 of the National Housing Act, (12 U.S.C. 1729, subdivision (f)), as amended October 15, 1982.

SEC. 2. Section 6420 of the Financial Code is amended to read:

6420. Subject to the requirements of this section, an association may offer certificate accounts in such form as the board of directors of the association may authorize by resolution. A certificate account is a savings account evidenced by a certificate which, if held for a fixed or minimum term, will receive a rate of return greater than on regular accounts.

(a) Subject to applicable maximum regulatory limitations in the regulations of the federal home loan bank system regulations and the Depository Institutions Deregulation Committee, an association may pay interest on a certificate account at a rate or anticipated rate of return determined at the time that the account is accepted. The rate or anticipated rate on a certificate account either may be fixed or may vary according to a schedule, index, or formula specified at the time that the account is accepted.

(b) In issuing certificate accounts, no association shall do any of the following:

(1) Provide for the payment or the distribution of interest on any certificate account in excess of the applicable maximum rate of return.

(2) Accept any fixed-term account for a term of less than 14 days.

(3) Provide for withdrawal from any certificate account prior to the expiration of its term, except as provided in subdivision (e).

(4) Issue any form of certificate account, unless the association has filed with the commissioner and the Federal Savings and Loan Insurance Corporation the form of account with a legal opinion that the form complies with applicable law.

(c) Each certificate account shall include in its provisions and display in easily read type all of the following:

(1) The rate or anticipated rate of interest to be paid, the basis, frequency, extent, and limits of any variation in the rate over the term of the account, and the dates or frequency at which interest is distributable.

(2) The amount of the account and the date on which it is issued.

(3) The minimum term (or for a savings deposit, the term) and minimum balance requirements.

(4) Any provisions limiting the right of the holder to make additions to the account or to withdraw all or any portion of the account prior to its maturity.

(5) The penalty or penalties for withdrawal prior to expiration of

the term.

(6) Any provisions relating to redemption, call or repurchase.

(7) Any provisions relating to a renewal when the term expires.

(8) Any provisions relating to interest after expiration of the term or any renewal period.

(9) A provision converting the rate of return on the certificate account, whenever the minimum balance requirement may cease to be met, to the rate of return on an account without a fixed term.

(d) Any certificate account may provide for renewal at the option of the association for successive periods not exceeding 10 years for each renewal.

(e) Each certificate issued by an association shall provide that, for any withdrawal of all or any part of the certificate account before maturity, a penalty shall be imposed in accordance with regulatory requirements. If any interest was distributed on the account before withdrawal, deduction shall be made from the amount withdrawn to adjust for the applicable penalty.

(1) In the case of early withdrawal of only a part of the account, the certificate account shall be canceled if the applicable minimum balance requirement ceases to be met. If the requirement continues to be met: (A) appropriate notation may be made on the certificate indicating the amount and date of the withdrawal and the remaining account balance, or (B) the certificate may be canceled and a new certificate issued for the remaining portion of the account with the same term, rate, and dates as on the canceled certificate.

(2) A certificate account may provide that the owner cannot withdraw any portion of the account prior to maturity except under such circumstances as otherwise provided; however, no certificate may prohibit withdrawal in the event of death or adjudication of incompetence of an account owner.

SEC. 3. Section 6430 is added to the Financial Code, to read:

6430. An association may provide correspondent services primarily to other depository institutions to the extent that that activity does not violate other provisions of law.

(a) An association may maintain a noninterest-bearing account at any institution whose accounts are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation, if such an account is necessary or incidental to a correspondent relationship.

(b) An association may receive noninterest-bearing deposits from correspondent institutions for use as compensating balances, for settlement purposes, or for other purposes incidental to a correspondent relationship. These deposits may be payable on demand and subject to withdrawal by negotiable or transferable instrument, order, or authorization. These deposits shall not give rise to voting rights or other rights of membership in a state mutual association.

SEC. 4. Section 6702 of the Financial Code is amended to read:

6702. An association may invest in, hold, buy, sell, or otherwise

deal with all of the following:

(a) Real property used or to be used primarily as the principal office or branch of the association, and real property used or to be used primarily as a service office or office of the service corporation of the association or an undivided interest in real property used or to be used primarily as a service office or office of the association or its service corporation and of other associations owning the other undivided interests in the real property. As used in this subdivision the term real property includes (1) real property in reasonably close proximity to a principal, branch, or service office used or to be used primarily as a parking lot in connection with the operations of the office and (2) structures or buildings located on land owned in fee or held under a lease or sublease by the association with an unexpired term of 25 years at the date of execution by the association of the lease or sublease.

(b) Furniture, fixtures, furnishings, equipment, and leasehold improvements necessary or proper for the business of the association, or for use in connection with properties owned by or securing loans of the association. Leasehold improvements as used herein shall not include structures or buildings referred to in subdivision (a).

(c) United States government bonds and treasury certificates, or any bonds, debentures, notes, or other obligations guaranteed by the United States of America, and obligations issued or guaranteed by the Government National Mortgage Association.

(d) Bonds, debentures, notes, and other securities issued or guaranteed in whole or in part by any federal home loan bank, or the Federal Savings and Loan Insurance Corporation, or other similar federal agency.

(e) Consolidated federal home loan bank bonds, debentures, or notes.

(f) Bonds of this state or of any flood control and water conservation districts or any zone thereof having an assessed valuation on taxable real property of not less than one million dollars (\$1,000,000), county, city and county, city, metropolitan water district, municipal utility district, any special district established by and within any municipal utility district, transit district, rapid transit district, metropolitan transit authority, flood control district, or school district of the State of California.

(g) Bonds and other securities which are expressly authorized as legal investments for or purchase by savings banks in this state, bankers' acceptances of the kind, character, and maturity eligible for rediscount with a Federal Reserve bank, and such other securities as the commissioner may authorize by rules and regulations.

(h) Bonds issued by any railroad corporation or any public utility corporation substantially all of the properties of which are located in the United States of America. Railway corporations and public utility corporations, as used in this subdivision, do not include street railway corporations.

(i) Stock, shares, debentures, and bonds of any international home

loan bank which may hereafter be incorporated by authority of an act of Congress.

(j) California street improvement bonds.

(k) Stock issued by any federal home loan bank or other similar federal agency of which the association is eligible to be a member.

(l) Bonds and other securities as provided in Division 11.

(m) Stocks, bonds, debentures, participations, and other obligations of or issued by the Federal National Mortgage Association and the Small Business Administration.

(n) Loans and interests in loans on the security of real property located in foreign countries guaranteed by an agency of the federal or state government; and capital stock, obligations, notes, and other securities of any thrift institution organized under the laws of a foreign country and engaged in the business of making loans on the security of real estate in that country subject to regulations of the commissioner.

(o) Subject to the rules and regulations of the commissioner, stock issued by a corporation authorized to be created pursuant to Title IX of the Housing and Urban Development Act of 1968, and may make investments in a partnership, limited partnership, or joint venture formed pursuant to Section 907(a) or 907(c) of that act.

(p) Any obligations or other instruments or securities of the Student Loan Marketing Association.

(q) Shares and investment certificates issued by any domestic savings and loan association which is an "insured institution" as defined in Title IV of the National Housing Act.

(r) Shares or certificates in any open-end management investment company which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be an eligible investment under this subdivision, the investment company's portfolio shall be restricted, changeable only by shareholder vote, to investments:

(1) That an association is authorized, without limitation as to percentage of assets, to invest in, sell, redeem, hold or otherwise deal with; or

(2) That an association may invest in, sell, redeem, hold or otherwise deal with pursuant to Section 6705.8.

The total investment made pursuant to paragraph (2) and Section 6705.8 shall not exceed the percent of total assets limitation, if any, provided in Section 6705.8.

(s) Loans which are secured by mortgages as to which the association has the benefit of either of the following:

(1) Insurance under Title X of the National Housing Act or a commitment or agreement for such insurance.

(2) Any guarantee under Title IV of the Housing and Urban Development Act of 1968 or under Part B of the National Urban Policy and New Community Development Act of 1974, or of a commitment or agreement therefor.

(t) Stocks, obligations, or other securities of any small business

investment company formed pursuant to subdivision (d) of Section 301 of the Small Business Investment Act of 1958, (15 U.S.C. Sec. 681, subd. (d)) for the purpose of aiding members of the Federal Home Loan Bank System.

SEC. 5. Section 6705.8 of the Financial Code is amended to read:

6705.8. An association may make secured or unsecured loans for agricultural, business, corporate, commercial, personal, family, or household purposes, and may invest in, sell, or hold commercial paper and corporate debt securities, as defined by the commissioner, provided that:

(a) With respect to loans made directly by an association, the total of agricultural, business, corporate, and commercial loans under this section shall not exceed 5 percent of the assets of the association prior to January 1, 1984; 7½ percent of those assets prior to January 1, 1985; and 10 percent of those assets thereafter.

(b) With respect to agricultural, business, corporate, or commercial loans originated by a commercial bank, subsidiary of a commercial bank, bank holding company or subsidiaries of a bank holding company, located in this state and either purchased by or participated in by an association, the total of those purchases and participations under this section shall not exceed 10 percent of the assets of the association.

(c) With respect to loans for personal, family, or household purposes, including loans reasonably incident to the provision of credit for those purposes, the total of those loans shall not exceed 30 percent of the assets of the association.

SEC. 6. Section 6800 is added to the Financial Code, to read:

6800. An association may invest in tangible personal property including without limitation vehicles, manufactured homes, machinery, equipment, or furniture, for rental or sale, but the investment shall not exceed 10 percent of the assets of the association.

SEC. 7. Section 6900 of the Financial Code is amended to read:

6900. The commissioner shall fix a minimum statutory net worth requirement applicable to all associations, but such requirement shall not exceed 3 percent of an association's total assets. In defining total assets, the commissioner may issue regulations to exclude from the total asset figure such asset items as may be deemed appropriate by the commissioner. For the purpose of computing total assets as of any given date, an association at its option may use the average of total assets as of the end of the preceding calendar year and the total assets of the association at the end of any one or more, up to four, of the immediately preceding calendar years providing all such dates are consecutive.

SEC. 8. Section 7157 of the Financial Code is amended to read:

7157. (a) An association may make loans secured by the pledge of its shares or investment certificates to the extent of not more than 100 percent of the value of those shares or investment certificates at the time of making the loan. Any loans, which are wholly secured by



the pledge of those shares or investment certificates, and the interest and arrearages due or accrued on those loans, may be repaid at any time without the payment of any premium or bonus interest, and upon the payment of the loan the security pledged therefor shall be surrendered.

(b) An association may make loans without limitation to a borrower for the purpose of investing in a certificate account.

(1) "Loophole certificate" means an account for which the association lends the depositor part of the funds necessary to meet minimum deposit requirements.

(2) The rate of interest on the loan shall be equal to at least 1 percent per year more than the rate of return on the loophole certificate.

(3) The penalty for early withdrawal applies to the full face amount of a loophole certificate.

SEC. 9. Section 7185 of the Financial Code is amended to read:

7185. An association may, with or without security, make loans, advance credit, and purchase obligations representing loans and advances of credit (all of which are hereinafter referred to in this section as "loans") for the payment of educational expenses; however, the total of loans made for educational expense shall not exceed 5 percent of the assets of the association.

SEC. 10. Section 7415 is added to the Financial Code, to read:

7415. An association may establish a minimum balance requirement for savings accounts to be eligible for distribution of interest.

SEC. 11. Section 7420 is added to the Financial Code, to read:

7420. Subject to limitations of the Federal Home Loan Bank Board System of Regulations and the Depository Institutions Deregulation Committee Regulations, an association may pay commissions or fees in cash or merchandise of soliciting deposits to any employee of the association or to any broker or agent, as determined by the association.

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## CHAPTER 229

An act to amend Section 667.5, and to repeal Section 5080.5, of the Penal Code, and to amend Section 1252 of the Welfare and Institutions Code, relating to criminal law.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION. 1. Section 667.5 of the Penal Code is amended to read:

667.5. Enhancement of prison terms for new offenses because of prior prison terms shall be imposed as follows:

(a) Where one of the new offenses is one of the violent felonies specified in subdivision (c), in addition and consecutive to any other prison terms therefor, the court shall impose a three-year term for each prior separate prison term served by the defendant where the prior was one of the violent felonies specified in subdivision (c); provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(b) Except where subdivision (a) applies, where the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison terms therefor, the court shall impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of five years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(c) For the purpose of this section, "violent felony" shall mean any of the following:

- (1) Murder or voluntary manslaughter.
- (2) Mayhem.
- (3) Rape as defined in subdivision (2) of Section 261.
- (4) Sodomy by force, violence, duress, menace, or threat of great bodily harm.
- (5) Oral copulation by force, violence, duress, menace, or threat of great bodily harm.
- (6) Lewd acts on a child under 14 as defined in Section 288.
- (7) Any felony punishable by death or imprisonment in the state prison for life.
- (8) Any other felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and 461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in Section 12022.5.

The Legislature finds and declares that these specified crimes merit special consideration when imposing a sentence to display society's condemnation for such extraordinary crimes of violence against the person.

(d) For the purposes of this section the defendant shall be deemed to remain in prison custody for an offense until the official discharge from custody or until release on parole whichever first occurs including any time during which the defendant remains subject to reimprisonment for escape from custody or is reimprisoned on revocation of parole. The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall

not be imposed for any felony for which the defendant did not serve a prior separate term in state prison.

(f) A prior conviction of a felony shall include a conviction in another jurisdiction for an offense which if committed in California is punishable by imprisonment in state prison if the defendant served one year or more in prison for the offense in the other jurisdiction. A prior conviction of a particular felony shall include a conviction in another jurisdiction for an offense which includes all of the elements of the particular felony as defined under California law if the defendant served one year or more in prison for the offense in the other jurisdiction.

(g) A prior separate prison term for the purposes of this section shall mean a continuous completed period of prison incarceration imposed for the particular offense alone or in combination with concurrent or consecutive sentences for other crimes, including any reimprisonment on revocation of parole which is not accompanied by a new commitment to prison, and including any reimprisonment after an escape from incarceration.

(h) Serving a prison term includes any confinement time in any state prison or federal penal institution as punishment for commission of an offense, including confinement in a hospital or other institution or facility credited as service of prison time in the jurisdiction of the confinement.

(i) For the purposes of this section, a commitment to the State Department of Health as a mentally disordered sex offender following a conviction of a felony, which commitment exceeds one year in duration, shall be deemed a prior prison term.

(j) For the purposes of this section, when a person subject to the custody, control, and discipline of the Director of Corrections is incarcerated at a facility operated by the Youth Authority, that incarceration shall be deemed to be a term served in state prison.

SEC. 2. Section 5080.5 of the Penal Code is repealed.

SEC. 3. Section 1252 of the Welfare and Institutions Code is amended to read:

1252. There may be transferred to and confined in the California Youth Training School any male subject to the custody, control and discipline of the Youth Authority, whom the Youth Authority believes will be benefited by confinement in such an institution. Whenever by reason of any law governing the commitment of a person to the Youth Authority or to an institution under the jurisdiction of the Youth Authority such a person is deemed not to be a person convicted of a crime, the transfer or placement of such a person in the California Youth Training School shall not affect the status or rights of the person and shall not be deemed to constitute a conviction of a crime.

## CHAPTER 230

An act to amend Sections 74020, 74027, and 74028 of, and to add Section 69948.5 to, the Government Code, relating to courts.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 69948.5 is added to the Government Code, to read:

69948.5. Notwithstanding Section 69948, in Modoc County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

SEC. 2. Section 74020 of the Government Code is amended to read:

74020. This article shall be applicable to the municipal court hereby established for the geographical area within the County of Placer formerly consisting of the Roseville-Rocklin, Loomis-Lincoln, Auburn-Colfax, and Foresthill Judicial Districts. Such consolidated court districts shall hereby be known as the Placer County Municipal Court.

SEC. 3. Section 74027 of the Government Code is amended to read:

74027. A judge automatically succeeding a judgeship in any district hereafter consolidated with the Placer County Municipal Court shall continue to hold office in such district for the term to which he was elected or appointed in either of the component districts and until his successor is elected within the municipal court district and qualifies; but in no event shall such judge or his successor be elected at any election held within 10 months of the operative date or effective date, whichever is later, of the ordinance adopted by the board of supervisors fixing for the first time the boundaries of the consolidated district.

SEC. 4. Section 74028 of the Government Code is amended to read:

74028. The deputy clerks and deputy marshals of the Placer County Municipal Court on the effective date of the consolidation shall automatically transfer to at least the same or comparable positions in the consolidated district upon the effective date of consolidation. However, any classifications established with a higher rate of compensation shall be filled through the civil service promotional examination process.

## CHAPTER 231

An act to add and repeal Sections 17202.4, 17285, and 24343.7 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 13, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17202.4 is added to the Revenue and Taxation Code, to read:

17202.4. In addition to the deduction allowed for trade or business expenses and any other deductions allowed by this part, a taxpayer who donates unspoiled agricultural products under Chapter 5 (commencing with Section 58501) of Part 1 of Division 21 of the Food and Agricultural Code shall be allowed as a deduction an amount equal to the cost of those unspoiled agricultural products.

This section shall remain in effect only until January 1, 1985, and as of that date is repealed, unless prior to that date, a later chaptered statute deletes or extends that date.

SEC. 2. Section 17285 is added to the Revenue and Taxation Code, to read:

17285. In addition to the deduction allowed for trade or business expenses and any other deductions allowed by this part, a taxpayer who donates unspoiled agricultural products under Chapter 5 (commencing with Section 58501) of Part 1 of Division 21 of the Food and Agricultural Code shall be allowed as a deduction an amount equal to the cost of those unspoiled agricultural products.

This section shall remain in effect only until January 1, 1985, and as of that date is repealed, unless prior to that date, a later chaptered statute deletes or extends that date.

SEC. 3. Section 24343.7 is added to the Revenue and Taxation Code, to read:

24343.7. In addition to the deduction allowed for trade or business expenses and any other deductions allowed by this part, a taxpayer who donates unspoiled agricultural products under Chapter 5 (commencing with Section 58501) of Part 1 of Division 21 of the Food and Agricultural Code shall be allowed as a deduction an amount equal to the cost of those unspoiled agricultural products.

This section shall remain in effect only until January 1, 1985, and as of that date is repealed, unless prior to that date, a later chaptered statute deletes or extends that date.

SEC. 4. If this bill and Assembly Bill 36 are both chaptered and become effective on or before January 1, 1984, Sections 1 and 2 of this act shall become operative as follows:

(a) If this bill is chaptered after Assembly Bill 36, Section 2 of this act shall become operative on the effective date of this act and

Section 1 of this act shall not become operative.

(b) If this bill is chaptered before Assembly Bill 36, Section 1 of this act shall become operative on the effective date of this act and shall cease to be operative on the effective date of Assembly Bill 36, at which time Section 2 of this act shall become operative.

SEC. 5. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall be applied in the computation of taxes for taxable years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable years beginning on or after the first day of the calendar year following the effective date.

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## CHAPTER 232

An act to add Section 22652.5 to the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 22652.5 is added to the Vehicle Code, to read:

22652.5. The owner or person in lawful possession of an offstreet parking facility, or any local authority owning or operating an offstreet parking facility, who causes a vehicle to be removed from the parking facility pursuant to Section 22511.8, or any state, city, or county employee, is not civilly liable for the removal if the police or sheriff's department in whose jurisdiction the offstreet parking facility or the stall or space is located or the Department of the California Highway Patrol has been notified prior to the removal.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the parking designated for handicapped persons is made available for their use, and improper use of that parking is curtailed at the earliest possible time, it is necessary that this act take effect immediately.

## CHAPTER 233

An act to amend Section 34501, as amended by Section 7 of Chapter 912 of the Statutes of 1981, and Section 40000.22 of, and to repeal Section 34501, as added by Section 2 of Chapter 615 of the Statutes of 1980 of, the Vehicle Code, relating to vehicles.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 14, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 34501 of the Vehicle Code, as added by Section 2 of Chapter 615 of the Statutes of 1980, is repealed.

SEC. 2. Section 34501 of the Vehicle Code, as amended by Section 7 of Chapter 912 of the Statutes of 1981, is amended to read:

34501. (a) The Department of the California Highway Patrol shall adopt reasonable rules and regulations which in the judgment of the department are designed to promote the safe operation of vehicles described in Section 34500, regarding, but not limited to, hours of service of drivers, equipment, fuel containers, fueling operations, inspection, maintenance, recordkeeping, accident reports, and drawbridges. The rules and regulations shall not, however, be applicable to schoolbuses which shall be subject to rules and regulations adopted pursuant to Section 34501.5. The Commissioner of the Department of the California Highway Patrol shall appoint a committee of 15 members, consisting of representatives of industry subject to the regulations to be adopted pursuant to this section, to act in an advisory capacity to the department, and the department shall cooperate and confer with the advisory committee so appointed.

The department may inspect any vehicles in maintenance facilities or terminals, as well as any records relating to the dispatch of vehicles or drivers, and the pay of drivers, to assure compliance with the provisions of this code and regulations adopted pursuant to this section.

(b) The department, using the definitions adopted pursuant to Section 2402.7 shall adopt such regulations for the transportation of hazardous materials in this state, except for materials the transportation of which is subject to other provisions of this code, as the department determines reasonably necessary to ensure the safety of persons and property using the highways. The regulations may include provisions governing the filling, marking, packing, labeling, and assembly of, and containers that may be used for, hazardous materials shipments, and the manner by which the shipper attests that the shipments are correctly identified and in proper conditions for transport.

(c) At least once every 13 months, the department shall inspect every maintenance facility or terminal of any person who at any time

operates any bus.

(d) The Commissioner of the California Highway Patrol shall adopt and enforce regulations which will provide for the public or private users of any bus being made aware of the operator's last safety rating.

(e) It is unlawful and constitutes a misdemeanor for any person to operate any bus without the inspection specified in subdivision (c) having been conducted.

(f) The department may adopt regulations restricting or prohibiting the movement of any vehicle from a maintenance facility or terminal if the vehicle is found in violation of the provisions of this code or regulations adopted pursuant to this section.

SEC. 3. Section 40000.22 of the Vehicle Code is amended to read:

40000.22. A violation of subdivision (c) of Section 34501, relating to inspections, is a misdemeanor and not an infraction.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 234

An act to amend Sections 4359, 5102, and 7020 of the Civil Code, relating to family law.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 14, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4359 of the Civil Code is amended to read:

4359. (a) During the pendency of any proceeding under Title 2 (commencing with Section 4400) or Title 3 (commencing with Section 4500) of this part, upon application of either party in the manner provided by Section 527 of the Code of Civil Procedure, the superior court may issue ex parte orders (1) restraining any person from transferring, encumbering, hypothecating, concealing, or in any way disposing of any property, real or personal, whether community, quasi-community, or separate, except in the usual course of business or for the necessities of life, and if the order is directed against a party, requiring him or her to notify the other party of any proposed extraordinary expenditures and to account to the court for all such extraordinary expenditures; (2) enjoining any party from contacting, molesting, attacking, striking, threatening,



sexually assaulting, battering, or disturbing the peace of the other party, and, in the discretion of the court, upon a showing of good cause, other named family and household members; (3) excluding one party from the family dwelling or from the dwelling of the other, for the period of time and upon the conditions as the court may determine, regardless of which party holds legal or equitable title, or is the lessee of the dwelling, upon a showing that the party to be excluded has assaulted or threatens to assault the other party or any other person under the care, custody, or control of the other party, or any minor child of the parties or of the other party, and that physical or emotional harm would otherwise result to the other party or any person under the care, custody, or control of the other party, or to any minor child of the parties or of the other party as provided in Section 5102; (4) determining the temporary custody of any minor children of the marriage, and the right of a party to visit the minor children upon the conditions as the court may determine; (5) determining the temporary use, possession, and control of real or personal property of the parties and the payment of any liens or encumbrances coming due during the pendency of the order; and (6) enjoining a party from specified behavior which the court determines is necessary to effectuate orders under paragraph (2) or (3).

Any order issued pursuant to this section shall state on its face the date of expiration of the order.

The Judicial Council shall promulgate forms and instructions for applications for orders and orders granted pursuant to this section.

(b) The court shall order the party who obtained the order or the attorney for such party to deliver or the clerk to mail a copy of any order, or extension, modification or termination thereof, granted pursuant to subdivision (a), by the close of the business day on which the order, extension, modification, or termination was granted, and any subsequent proof of service thereof, to each local law enforcement agency designated by the party or the attorney for the party, having jurisdiction over the residence of the party and such other locations where the court determines that acts of domestic violence against the party are likely to occur. Each appropriate law enforcement agency shall make available through an existing system for verification, information as to the existence, terms and current status of any order issued pursuant to subdivision (a) to any law enforcement officer responding to the scene of reported domestic violence.

(c) Any willful and knowing violation of any order granted pursuant to paragraph (2), (3) or (6) of subdivision (a) shall be a misdemeanor punishable under Section 273.6 of the Penal Code.

SEC. 2. Section 5102 of the Civil Code is amended to read:

5102. (a) Except as otherwise provided in this section, neither husband nor wife has any interest in the separate property of the other, but neither can be excluded from the other's dwelling except as provided in Section 4359 or, in proceedings under Chapter 1

(commencing with Section 4400) or Chapter 2 (commencing with Section 4425) of Title 2 of this part, or under Chapter 1 (commencing with Section 4500) of Title 3 of this part, upon application of either party in the manner provided by Section 527 of the Code of Civil Procedure, the court may order the temporary exclusion of either party from the family dwelling or from the dwelling of the other upon a showing that the party to be excluded has assaulted or threatens to assault the other party, or any other person under the care, custody, or control of the other party, or any minor child of the parties or of the other party, and that physical or emotional harm would otherwise result to the other party or any other person under the care, custody, or control of the other party or to any minor child of the parties or of either party, until the final determination of the proceeding.

(b) If notice of the pendency of a proceeding for separation or annulment or dissolution of marriage is recorded in any county in which the husband or wife resides on real property that is the separate property of the other, the real property shall not for a period of three months thereafter be transferred, encumbered, or otherwise disposed of voluntarily or involuntarily without the joinder of both spouses, unless the court otherwise orders.

SEC. 2.5. Section 5102 of the Civil Code is amended to read:

5102. (a) Except as otherwise provided in this section, neither husband nor wife has any interest in the separate property of the other, but neither can be excluded from the other's dwelling except as provided in Section 4359 or, in proceedings under Chapter 1 (commencing with Section 4400) or Chapter 2 (commencing with Section 4425) of Title 2 of this part, or under Chapter 1 (commencing with Section 4500) of Title 3 of this part, upon application of either party in the manner provided by Section 527 of the Code of Civil Procedure, the court may order the temporary exclusion of either party from the family dwelling or from the dwelling of the other until the final determination of the proceeding, upon a showing that the party to be excluded has assaulted or threatens to assault the other party, or any other person under the care, custody, or control of the other party, or any minor child of the parties or of the other party, and that physical or emotional harm would otherwise result to the other party or any other person under the care, custody, or control of the other party, or to any minor child of the parties or of either party, or, upon application and hearing, the court may order such temporary exclusion of either party upon a showing that physical or emotional harm would otherwise result.

(b) If notice of the pendency of a proceeding for separation or annulment or dissolution of marriage is recorded in any county in which the husband or wife resides on real property that is the separate property of the other, the real property shall not for a period of three months thereafter be transferred, encumbered, or otherwise disposed of voluntarily or involuntarily without the joinder of both spouses, unless the court otherwise orders.

SEC. 3. Section 7020 of the Civil Code is amended to read:

7020. (a) During the pendency of any proceeding under this part, upon application in the manner provided by Section 527 of the Code of Civil Procedure by the party who has care, custody, and control of the minor child, the superior court may issue ex parte orders (1) enjoining any party from contacting, molesting, attacking, striking, threatening, sexually assaulting, battering, or disturbing the peace of the other party or the minor child; (2) excluding one party from the dwelling of the party who has care, custody and control of the child upon showing that the party to be excluded has assaulted or threatens to assault the other party or the minor child, and that physical or emotional harm would otherwise result to the party or the minor child; and (3) enjoining a party from specified behavior which the court determines is necessary to effectuate orders under paragraph (1) or (2). In the case in which a temporary restraining order is granted without notice, the matter shall be made returnable on an order requiring cause to be shown why the order should not be granted, on the earliest day that the business of the court will permit, but not later than 15 days or, if good cause appears to the court, 20 days from the date the temporary restraining order is granted. The court may on motion of the plaintiff or on its own motion shorten the time for service on the defendant of the order to show cause.

(b) The court may issue upon notice and a hearing any of the orders set forth in subdivision (a). Any restraining order granted pursuant to this subdivision shall remain in effect, in the discretion of the court, not to exceed one year, unless otherwise terminated by the court, extended by mutual consent of the parties or extended by further order of the court on the motion of any party.

(c) Any order issued pursuant to subdivision (a) or (b) shall state on its face the date of expiration of the order.

(d) The court shall order the party who obtained the order or the attorney for the party to deliver or the clerk to mail a copy of any order, or extension, modification or termination thereof, granted pursuant to subdivision (a) or (b), by the close of the business day on which the order, extension, modification, or termination was granted, and any subsequent proof of service thereof, to each local law enforcement agency designated by the party or the attorney for the party, having jurisdiction over the residence of the party who has care, custody and control of the minor child and such other locations where the court determines that acts of domestic violence against the party and the minor child are likely to occur. Each appropriate law enforcement agency shall make available through an existing system for verification, information as to the existence, terms and current status of any order issued pursuant to subdivision (a) or (b) to any law enforcement officer responding to the scene of reported domestic violence.

(e) Any willful and knowing violation of any order granted pursuant to subdivision (a) or (b) shall be a misdemeanor punishable

under Section 273.6 of the Penal Code.

SEC. 4. It is the intent of the Legislature, if this bill and Assembly Bill 1148 are both chaptered and become effective January 1, 1984, both bills amend Section 5102 of the Civil Code, and this bill is chaptered after Assembly Bill 1148, that the amendments to Section 5102 proposed by both bills be given effect and incorporated in Section 5102 in the form set forth in Section 2.5 of this act. Therefore, Section 2.5 of this act shall become operative only if this bill and Assembly Bill 1148 are both chaptered and become effective January 1, 1984, both amend Section 5102, and this bill is chaptered after Assembly Bill 1148, in which case Section 2 of this act shall not become operative.

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## CHAPTER 235

An act to amend Sections 17053.5, 17064.5, 18152, 18161.5, 18692, 24837.5, 24916, and 25903 of, to add Section 17055 to, to repeal and add Sections 18689 and 25901c to, and to repeal Sections 17064 and 23404 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17053.5 of the Revenue and Taxation Code is amended to read:

17053.5. (a) In the case of qualified renters, there shall be allowed credits against their "net tax" (as defined in Section 17039). The credit shall be in the amount of one hundred thirty-seven dollars (\$137) for married couples, heads of household and surviving spouses (as defined in Section 17046), and sixty dollars (\$60) for other individuals.

Except as provided in subdivision (b) of this section a husband and wife shall receive but one credit under this section. If the husband and wife file separate returns, the credit may be taken by either or equally divided between them, except as follows:

(1) If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for part or all of the taxable year, the resident spouse shall be allowed one-half the credit allowed to married persons and the nonresident spouse shall be permitted one-half the credit allowed to married persons, prorated as provided in subdivision (d).

(2) If both spouses were nonresidents for part of the taxable year, the credit allowed to married persons shall be divided equally between them subject to the proration provided in subdivision (d).

(b) In the case of a husband and wife, if each spouse maintained

a separate place of residence and resided in this state during the entire taxable year, each spouse will be allowed one-half the full credit allowed to married persons provided in subdivision (a).

(c) For purposes of this section, a "qualified renter" means an individual who on March 1 of the taxable year—

(1) Was a resident of this state, as defined in Section 17014, and

(2) On that date rented and occupied premises in this state which constitute his or her principal place of residence.

The term "qualified renter" does not include an individual who on March 1 of the taxable year rented and occupied premises which were exempt from property taxes, except that an individual, otherwise qualified, shall be deemed a qualified renter if he or she or his or her landlord pays possessory interest taxes, or the owner of those premises makes payments in lieu of property taxes which are substantially equivalent to property taxes paid on properties of comparable market value.

The term "qualified renter" does not include an individual whose principal place of residence is with any other person who claimed such individual as a dependent for income tax purposes.

The term "qualified renter" does not include an individual who has been granted or whose spouse has been granted the homeowners' property tax exemption during the taxable year. This paragraph shall not apply in the case of an individual whose spouse has been granted the homeowners' property tax exemption if each spouse maintained a separate residence for the entire taxable year.

(d) Any individual who is a nonresident for any portion of the taxable year shall claim the credits set forth in subdivision (a) at the rate of one-twelfth of those credits for each full month that individual resided within this state during the taxable year.

(e) Every person claiming the credit provided in this section shall, as part of that claim, and under penalty of perjury, furnish that information as the Franchise Tax Board prescribes on a form supplied by the board.

(f) The credit provided in this section shall be claimed on returns in that form as the Franchise Tax Board may from time to time prescribe, and shall be filed with the Franchise Tax Board on the date prescribed by Section 18432.

(g) For the purposes of this section, the term "premises" means a house or a dwelling unit used to provide living accommodations in a building or structure and the land incidental thereto, but does not include land only, except in the case where the dwelling unit is a mobilehome.

(h) In the case of qualified renters whose credits provided in this section exceed their tax liability computed under this part, minus all other credits provided for in this part, the qualified renter shall be allowed a credit to the extent of his tax liability plus a refund in excess of that amount up to a combined credit and refund equal to the credit otherwise provided in this section.

(i) The changes made to paragraph (2) of subdivision (c) of this

section by the 1977-78 Legislature and the changes made to subdivisions (a) and (b) of this section by the 1979-80 Legislature, shall be applied with respect to taxable years beginning on January 1, 1979, and thereafter.

SEC. 2. Section 17055 is added to the Revenue and Taxation Code, to read:

17055. (a) Any individual who is a nonresident or a part-year resident shall be allowed all credits provided under this part, except those described in subdivision (b) and in Sections 17053.5 and 18002, in the same proportion as the ratio determined under subdivision (b) or (d) of Section 17041.

(b) Credits allowed under this part which are conditional upon a transaction occurring wholly within California shall be allowed in their entirety.

SEC. 3. Section 17064 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 17064.5 of the Revenue and Taxation Code is amended to read:

17064.5. (a) In the case of an estate or trust—

(1) The sum of the items of tax preference for any taxable year of the estate or trust shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

(2) The four thousand dollars (\$4,000) amount specified in Section 17062 applicable to such estate or trust shall be reduced to an amount which bears the same ratio to four thousand dollars (\$4,000) as the portion of the sum of the items of tax preference allocated to the estate or trust under paragraph (1) bears to such sum.

(b) In the case of a nonresident or a part-year resident, the minimum tax imposed by this chapter shall be a tax computed as if the nonresident or part-year resident were a resident multiplied by the ratio of California source items of tax preference to total items of tax preference from all sources.

(c) The items of tax preference of a common trust fund (as defined in Section 17671) for each taxable year of the fund shall be treated as items of tax preference of the participants of such fund and shall be apportioned pro rata among such participants.

(d) If a return is made for a short period, then the four thousand dollars (\$4,000) amount specified in Section 17062 or the eight thousand dollars (\$8,000) specified in Section 17062.1, modified as provided by this section, shall be reduced to the amount which bears the same ratio to such specified amount as the number of days in the short period bears to 365.

(e) (1) For purposes of this part, the term estimated tax shall not include the minimum tax imposed by this chapter.

(2) For purposes of Chapter 12 (relating to credit for taxes paid), the taxes imposed by this part do not include taxes imposed by this chapter.

(3) Except as otherwise expressly provided in this chapter, the

term “taxes” includes the minimum tax imposed by this chapter.

(f) The Franchise Tax Board shall prescribe regulations under which items of tax preference shall be properly adjusted where the tax treatment giving rise to those items will not result in the reduction of the taxpayer’s tax under this part for any taxable year.

SEC. 5. Section 18152 of the Revenue and Taxation Code is amended to read:

18152. (a) Losses from sales or exchanges of capital assets shall be allowed only to the extent of the gains from such sales or exchanges, plus (if such losses exceed such gains) whichever of the following is smallest:

(1) The taxable income for the taxable year, or

(2) One thousand dollars (\$1,000).

(b) In the case of a husband or wife who files a separate return, the amount specified in paragraph (2) of subdivision (a) shall be five hundred dollars (\$500) in lieu of one thousand dollars (\$1,000).

(c) For purposes of subdivision (a), taxable income shall be computed without regard to gains or losses from sales or exchanges of capital assets.

(d) If a taxpayer has a net capital loss for any taxable year the excess of such net capital loss shall be a capital loss in the succeeding taxable year.

SEC. 6. Section 18161.5 of the Revenue and Taxation Code is amended to read:

18161.5. (a) For purposes of this article, “small business stock” is an equity security issued by a corporation which has the following characteristics at the time of acquisition by the taxpayer:

(1) The commercial domicile or primary place of business is located within California.

(2) The total employment of the corporation is no more than 500 employees, as measured by the number of employees covered by federal unemployment insurance on December 31 of the year preceding acquisition of the small business stock, a majority of which employees were covered by California unemployment insurance on December 31 of the year preceding acquisition of the small business stock; provided, that, if more than 50 percent of the outstanding equity securities of all classes are held by another corporation, the employment of the controlling corporation shall be counted as employment of the eligible corporation for purposes of this section.

(3) The outstanding issues of the corporations, including those held by the taxpayer, are not listed on the New York Stock Exchange, the American Stock Exchange, or the National Association of Securities Dealers Automated Quotation system.

(4) No more than 25 percent of gross receipts in the immediate prior income year were obtained from rents, interest, dividends, or sales of assets.

(5) The corporation is not engaged primarily in the business of holding land.

(b) For purposes of this part, a “nonproductive asset” is any piece

of property which is any of the following:

(1) A precious or strategic metal, including but not limited to, gold, silver, and platinum, except when used by the taxpayer in his or her trade or business.

(2) Jewelry or individual gems, except when used by the taxpayer in his or her trade or business.

(3) Objects of art, except when used by the taxpayer in his or her trade or business.

(4) Antique items, including but not limited to, furniture, automobiles, coins, and ceramic objects, except when used by the taxpayer in his trade or business.

(5) Stamps, except when used by the taxpayer in his or her trade or business.

SEC. 7. Section 18689 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 18689 is added to the Revenue and Taxation Code, to read:

18689. (a) Except as provided in Section 18692, interest shall be imposed under this article with respect to any assessable penalty as provided in subdivisions (b) and (c).

(b) In the case of a penalty which, when assessed, is due and payable on notice and demand, interest shall be imposed from the date of the notice and demand to the date of payment.

(c) In the case of a penalty which is initially assessed as a deficiency, interest shall be imposed from the date of the notice of proposed assessment to the date of payment.

SEC. 9. Section 18692 of the Revenue and Taxation Code is amended to read:

18692. If notice is made for payment of any amount, and if that amount is paid within 10 days after the date of the notice, interest under this article on the amount so paid shall not be imposed for the period after the date of the notice.

SEC. 10. Section 23404 of the Revenue and Taxation Code is repealed.

SEC. 11. Section 24837.5 of the Revenue and Taxation Code is amended to read:

24837.5. (a) (1) At the election of the taxpayer, expenditures paid or incurred during the income year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred before the beginning of the development stage of the mine, shall be allowed as a deduction in computing net income. This subdivision shall apply only with respect to the amount of such expenditures which, but for this subdivision, would not be allowable as a deduction for the income year. This subdivision shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Sections 24349 to 24354.2, inclusive, but allowances for depreciation shall be considered, for purposes of this subdivision, as expenditures paid or



incurred. In no case shall this subdivision apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas or of any mineral with respect to which a deduction for percentage depletion is not allowable under Section 24832 or 24833.

(2) (A) Any election under this subdivision shall be made in such manner as the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for the income year may be made at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this part for the income year. That election for the income year shall apply to all expenditures described in paragraph (1) paid or incurred by the taxpayer during the income year or during any subsequent income year. That election may not be revoked unless the Franchise Tax Board consents to the revocation.

(C) The statutory period for the assessment of any deficiency for any income year, to the extent such deficiency is attributable to an election or revocation of an election under this subdivision, shall not expire before the last day of the three-year period beginning on the day after the date on which such election or revocation of election is made; and such deficiency may be assessed at any time before the expiration of such three-year period, notwithstanding any law or rule of law which would otherwise prevent such assessment.

(b) (1) If, in any income year, any mine with respect to which expenditures were deducted pursuant to subdivision (a) reaches the producing stage, then—

(A) If the taxpayer so elects with respect to all such mines reaching the producing stage during the income year, it shall include in gross income for the income year an amount equal to the adjusted exploration expenditures with respect to such mines, and the amount so included in income shall be treated for purposes of this part as expenditures which (i) are paid or incurred on the respective dates on which the mines reach the producing state, and (ii) are properly chargeable to capital account.

(B) If subparagraph (A) does not apply with respect to any such mine, then the deduction for depletion under Section 24831 with respect to the property shall be disallowed until the amount of depletion which would be allowable but for this subparagraph equals the amount of the adjusted exploration expenditures with respect to such mine.

(2) (A) Any election under this subdivision shall be made in such manner as the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for any income year may be made or changed not later than the time prescribed by law for filing the return (including extensions thereof) for such income year.

(c) If an election has been made under subdivision (a) with respect to expenditures relating to a mining property and the taxpayer receives or accrues a bonus or a royalty with respect to such

property, then the deduction for depletion under Section 24831 with respect to the bonus or royalty shall be disallowed until the amount of depletion which would be allowable but for this subdivision equals the amount of the adjusted exploration expenditures with respect to the property to which the bonus or royalty relates.

(d) (1) Except as otherwise provided in this subdivision if mining property is disposed of the lower of—

(A) The adjusted exploration expenditures with respect to such property, or

(B) The excess of—

(i) The amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value (in the case of any other disposition), over

(ii) The adjusted basis of such property, shall be treated as gain from the sale or exchange of property. Such gain shall be recognized notwithstanding any other provision of this part.

(2) For purposes of paragraph (1)—

(A) In the case of the disposition of a portion of a mining property (other than an undivided interest), the entire amount of the adjusted exploration expenditures with respect to such property shall be treated as attributable to such portion to the extent of the amount of the gain to which paragraph (1) applies.

(B) In the case of the disposition of an undivided interest in a mining property (or a portion thereof), a proportionate part of the adjusted exploration expenditures with respect to such property shall be treated as attributable to such undivided interest to the extent of the amount of the gain to which paragraph (1) applies. This paragraph shall not apply to any expenditure to the extent the taxpayer establishes to the satisfaction of the Franchise Tax Board that such expenditure relates neither to the portion (or interest therein) disposed of nor to any mine, in the property held by the taxpayer before the disposition which has reached the producing stage.

(3) This subdivision shall apply notwithstanding any other provisions of this part.

(e) (1) The basis of any property shall not be reduced by the amount of any depletion which would be allowable but for the application of this section.

(2) The Franchise Tax Board shall prescribe such regulation as it may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under paragraph (1) of subdivision (d).

(f) For purposes of this section—

(1) The term “adjusted exploration expenditures” means, with respect to any property or mine—

(A) The amount of the expenditures allowed for the income year and all preceding income years as deductions under subdivision (a) to the taxpayer or any other person which are

properly chargeable to such property or mine and which (but for the election under subdivision (a)) would be reflected in the adjusted basis of such property or mine, reduced by

(B) For the income year and for each preceding income year, the amount (if any) by which (i) the amount which would have been allowable for percentage depletion under Section 24832 or 24833 but for the deduction of such expenditures, exceeds (ii) the amount allowable for depletion under Section 24831

properly adjusted for any amounts included in gross income under subdivision (b) or (c) and for any amounts of gain to which subdivision (d) applied.

(2) The term "mining property" means any property (within the meaning of Section 614 of the Internal Revenue Code after the application of subsections (c) and (e) thereof) with respect to which any expenditures allowed as a deduction under paragraph (1) of subdivision (a) are properly chargeable.

(g) (1) In the case of any property or mine received by the taxpayer in a distribution with respect to part or all of its interest in a partnership, the adjusted exploration expenditures with respect to such property or mine include the adjusted exploration expenditures (not otherwise included under paragraph (1) of subdivision (f) of this section) with respect to such property or mine immediately prior to such distribution, but the adjusted exploration expenditures with respect to any such property or mine shall be reduced by the amount of gain to which Section 17912 applied realized by the partnership (as constituted after the distribution) on the distribution of such property or mine.

(2) In the case of any property or mine held by a partnership after a distribution to a partner to which Section 17912 applied, the adjusted exploration expenditures with respect to such property or mine shall, under regulations prescribed by the Franchise Tax Board be reduced by the amount of gain to which Section 17912 applied realized by such partner with respect to such distribution on account of such property or mine.

(h) (1) Subdivision (a) shall apply to any amount paid or incurred after December 31, 1970, with respect to any deposit of ore or other mineral located outside the United States, only to the extent that such amount, when added to the amounts which are or have been deducted under subdivision (a) of this section and subdivision (a) of Section 24837 and the amounts which are or have been treated as deferred expenses under subdivision (b) of Section 24837 or the corresponding provisions of prior law, does not exceed four hundred thousand dollars (\$400,000).

(2) For purposes of paragraph (1), there shall be taken into account amounts deducted and amounts treated as deferred expenses by—

(A) The taxpayer, and

(B) Any individual or corporation who has transferred to the taxpayer any mineral property.

(3) Subparagraph (B) of paragraph (2) shall apply with respect to all amounts deducted and all amounts treated as deferred expenses which were paid or incurred before the latest such transfer from the individual or corporation to the taxpayer. Subparagraph (B) of paragraph (2) shall apply only if the taxpayer acquired any mineral property from the individual or corporation under circumstances which make Section 18135 of the Personal Income Tax Law, or subdivision (b) of Section 24504, Sections 24552, 24553, 24575, subdivision (a) of Section 24577, Section 24961, or 24988 apply to such transfer.

(i) This section shall apply with respect to exploration expenditures paid or incurred after December 31, 1970.

SEC. 11.5. Section 24837.5 of the Revenue and Taxation Code is amended to read:

24837.5. (a) (1) At the election of the taxpayer, expenditures paid or incurred during the income year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred before the beginning of the development stage of the mine, shall be allowed as a deduction in computing net income. This subdivision shall apply only with respect to the amount of those expenditures which, but for this subdivision, would not be allowable as a deduction for the income year. This subdivision shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Sections 24349 to 24354.2, inclusive, but allowances for depreciation shall be considered, for purposes of this subdivision, as expenditures paid or incurred. In no case shall this subdivision apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas or of any mineral with respect to which a deduction for percentage depletion is not allowable under Section 24832 or 24833.

(2) (A) Any election under this subdivision shall be made in that manner which the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for the income year may be made at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this part for the income year. That election for the income year shall apply to all expenditures described in paragraph (1) paid or incurred by the taxpayer during the income year or during any subsequent income year. That election may not be revoked unless the Franchise Tax Board consents to the revocation.

(C) The statutory period for the assessment of any deficiency for any income year, to the extent that deficiency is attributable to an election or revocation of an election under this subdivision, shall not expire before the last day of the three-year period beginning on the day after the date on which that election or revocation of election is made; and that deficiency may be assessed at any time before the

expiration of that three-year period, notwithstanding any law or rule of law which would otherwise prevent that assessment.

(b) (1) If, in any income year, any mine with respect to which expenditures were deducted pursuant to subdivision (a) reaches the producing stage, then—

(A) If the taxpayer so elects with respect to all those mines reaching the producing stage during the income year, it shall include in gross income for the income year an amount equal to the adjusted exploration expenditures with respect to those mines, and the amount so included in income shall be treated for purposes of this part as expenditures which (i) are paid or incurred on the respective dates on which the mines reach the producing state, and (ii) are properly chargeable to capital account.

(B) If subparagraph (A) does not apply with respect to any such mine, then the deduction for depletion under Section 24831 with respect to the property shall be disallowed until the amount of depletion which would be allowable but for this subparagraph equals the amount of the adjusted exploration expenditures with respect to that mine.

(2) (A) Any election under this subdivision shall be made in that manner which the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for any income year may be made or changed not later than the time prescribed by law for filing the return (including extensions thereof) for that income year.

(c) If an election has been made under subdivision (a) with respect to expenditures relating to a mining property and the taxpayer receives or accrues a bonus or a royalty with respect to that property, then the deduction for depletion under Section 24831 with respect to the bonus or royalty shall be disallowed until the amount of depletion which would be allowable but for this subdivision equals the amount of the adjusted exploration expenditures with respect to the property to which the bonus or royalty relates.

(d) (1) Except as otherwise provided in this subdivision if mining property is disposed of the lower of—

(A) The adjusted exploration expenditures with respect to that property, or

(B) The excess of—

(i) The amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value (in the case of any other disposition), over

(ii) The adjusted basis of that property, shall be treated as gain from the sale or exchange of property. That gain shall be recognized notwithstanding any other provision of this part.

(2) For purposes of paragraph (1)—

(A) In the case of the disposition of a portion of a mining property (other than an undivided interest), the entire amount of

the adjusted exploration expenditures with respect to that property shall be treated as attributable to that portion to the extent of the amount of the gain to which paragraph (1) applies.

(B) In the case of the disposition of an undivided interest in a mining property (or a portion thereof), a proportionate part of the adjusted exploration expenditures with respect to that property shall be treated as attributable to that undivided interest to the extent of the amount of the gain to which paragraph (1) applies. This paragraph shall not apply to any expenditure to the extent the taxpayer establishes to the satisfaction of the Franchise Tax Board that the expenditure relates neither to the portion (or interest therein) disposed of nor to any mine, in the property held by the taxpayer before the disposition which has reached the producing stage.

(3) This subdivision shall apply notwithstanding any other provisions of this part.

(e) (1) The basis of any property shall not be reduced by the amount of any depletion which would be allowable but for the application of this section.

(2) The Franchise Tax Board shall prescribe that regulation as it may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under paragraph (1) of subdivision (d).

(f) For purposes of this section—

(1) The term “adjusted exploration expenditures” means, with respect to any property or mine—

(A) The amount of the expenditures allowed for the income year and all preceding income years as deductions under subdivision (a) to the taxpayer or any other person which are properly chargeable to that property or mine and which (but for the election under subdivision (a)) would be reflected in the adjusted basis of that property or mine, reduced by

(B) For the income year and for each preceding income year, the amount (if any) by which (i) the amount which would have been allowable for percentage depletion under Section 24832 or 24833 but for the deduction of those expenditures, exceeds (ii) the amount allowable for depletion under Section 24831 properly adjusted for any amounts included in gross income under subdivision (b) or (c) and for any amounts of gain to which subdivision (d) applied.

(2) The term “mining property” means any property (within the meaning of Section 614 of the Internal Revenue Code after the application of subsections (c) and (e) thereof) with respect to which any expenditures allowed as a deduction under paragraph (1) of subdivision (a) are properly chargeable.

(g) (1) In the case of any property or mine received by the taxpayer in a distribution with respect to part or all of its interest in a partnership, the adjusted exploration expenditures with respect to that property or mine include the adjusted exploration expenditures

(not otherwise included under paragraph (1) of subdivision (f) of this section) with respect to that property or mine immediately prior to the distribution, but the adjusted exploration expenditures with respect to that property or mine shall be reduced by the amount of gain to which Section 751(b) of the Internal Revenue Code applied realized by the partnership (as constituted after the distribution) on the distribution of that property or mine.

(2) In the case of any property or mine held by a partnership after a distribution to a partner to which Section 751(b) of the Internal Revenue Code applied, the adjusted exploration expenditures with respect to the property or mine shall, under regulations prescribed by the Franchise Tax Board, be reduced by the amount of gain to which Section 751(b) of the Internal Revenue Code applied realized by the partner with respect to the distribution on account of that property or mine.

(h) (1) Subdivision (a) shall apply to any amount paid or incurred after December 31, 1970, with respect to any deposit of ore or other mineral located outside the United States, only to the extent that the amount, when added to the amounts which are or have been deducted under subdivision (a) of this section and subdivision (a) of Section 24837 and the amounts which are or have been treated as deferred expenses under subdivision (b) of Section 24837 or the corresponding provisions of prior law, does not exceed four hundred thousand dollars (\$400,000).

(2) For purposes of paragraph (1), there shall be taken into account amounts deducted and amounts treated as deferred expenses by—

(A) The taxpayer, and

(B) Any individual or corporation who has transferred to the taxpayer any mineral property.

(3) Subparagraph (B) of paragraph (2) shall apply with respect to all amounts deducted and all amounts treated as deferred expenses which were paid or incurred before the latest transfer from the individual or corporation to the taxpayer. Subparagraph (B) of paragraph (2) shall apply only if the taxpayer acquired any mineral property from the individual or corporation under circumstances which make Section 1082(c) of the Internal Revenue Code, or subdivision (b) of Section 24504, Sections 24552, 24553, 24575, subdivision (a) of Section 24577, Section 24961, or 24988 apply to that transfer.

(i) This section shall apply with respect to exploration expenditures paid or incurred after December 31, 1970.

SEC. 12. Section 24916 of the Revenue and Taxation Code is amended to read:

24916. Proper adjustment in respect of the property shall in all cases be made—

(a) For expenditures, receipts, losses, or other items properly chargeable to capital account, but no such adjustment shall be made for taxes or other carrying charges or for expenditures described in

Section 24364 and Section 24369 for which deductions have been taken by a bank or corporation in determining net income for the income year or prior income years;

(b) For exhaustion, wear and tear, obsolescence, amortization, and depletion:

(1) In the case of banks or corporations subject to the tax imposed by Chapter 2, to the extent sustained prior to January 1, 1928, and to the extent allowed (but not less than the amount allowable) under this part, except that no deduction shall be made for amounts in excess of the amount which would have been allowable had depreciation not been computed on the basis of January 1, 1928, value and amounts in excess of the adjustments required by Section 113(b) (1) (B) of the Federal Revenue Act of 1938 for depletion prior to January 1, 1932.

(2) In the case of a taxpayer subject to the tax imposed by Chapter 3, to the extent sustained prior to January 1, 1937, and for periods thereafter to the extent allowed (but not less than the amount allowable) under the provisions of this part.

(3) If a taxpayer has not claimed an amortization deduction for an emergency facility, the adjustment under paragraph (1) shall be made only to the extent ordinarily provided under Sections 24349, and 24372.

(c) In the case of stock (to the extent not provided for in the foregoing subsections) for the amount of distributions previously made which, under the law applicable to the year in which the distribution was made, either were tax free or were applicable in reduction of basis (not including distributions made by a corporation, which was classified as a personal service corporation under the provisions of the Federal Revenue Act of 1918 or 1921, out of its earnings or profits which were taxable in accordance with the provisions of Section 218 of the Federal Revenue Act of 1918 or 1921).

(d) (1) In the case of banks or corporations subject to the tax imposed by Chapter 2, in the case any bond (as defined in Section 24363) to the extent of the deductions allowable pursuant to Section 24360 with respect thereto.

(2) In the case of taxpayers subject to the tax imposed by Chapter 3, in the case of any bond (as defined in Section 24363) the interest on which is wholly exempt from the tax imposed by this part, to the extent of the amortizable bond premium disallowable as a deduction pursuant to Section 24361, and in the case of any other bond (as defined in Section 24363) to the extent of the deductions allowable pursuant to Section 24361 with respect thereto.

(3) In the case of property pledged to the Commodity Credit Corporation, to the extent of the amount received as a loan from the Commodity Credit Corporation and treated by the taxpayer as income for the year in which received pursuant to Section 24273, and to the extent of any deficiency on such loan with respect to which the taxpayer has been relieved from liability.

(e) For amounts allowed as deductions as deferred expenses



under subdivision (b) of Section 24836 (relating to certain expenditures in the development of mines) and resulting in a reduction of the taxpayer's tax, but not less than the amounts allowable under such section for the income year and prior years.

(f) For amounts allowable as deductions as deferred expenses under subdivision (b) of Section 24837 (relating to certain exploration expenditures) and resulting in a reduction of the taxpayer's tax, but not less than the amounts allowable under such section for the income year and prior years.

(g) For amounts allowed as deductions as deferred expenses under Section 24366(a) (relating to research and experimental expenditures) and resulting in a reduction of the bank or corporations' taxes under this part, but not less than the amounts allowable under such section for the income year and prior years.

(h) For amounts allowed as deductions for expenditures treated as deferred expenses under Section 24368.1 (relating to trademark and trade name expenditures) and resulting in a reduction of the taxpayer's taxes under this part, but not less than the amounts allowable under such section for the income year and prior years.

(i) For amounts allowed as deductions for payments made on account of transfers of franchises, trademarks, or trade names under Section 24378.

SEC. 13. Section 25901c of the Revenue and Taxation Code is repealed.

SEC. 14. Section 25901c is added to the Revenue and Taxation Code, to read:

25901c. (a) Except as provided in Section 25903, interest shall be imposed under this article in respect of any assessable penalty as provided in subdivisions (b) and (c).

(b) In the case of a penalty which, when assessed, is due and payable on notice and demand, interest shall be imposed from the date of the notice and demand to the date of payment.

(c) In the case of a penalty which is initially assessed as a deficiency, interest shall be imposed from the date of the notice of proposed assessment to the date of payment.

SEC. 15. Section 25903 of the Revenue and Taxation Code is amended to read:

25903. If notice is made for payment of any amount, and if that amount is paid within 10 days after the date of the notice, interest under this article on the amount so paid shall not be imposed for the period after the date of the notice.

SEC. 16. If this bill and Assembly Bill 36 are both chaptered and become effective on or before January 1, 1984, Sections 6, 11, and 11.5 of this act shall become operative as follows:

(a) If this bill is chaptered after Assembly Bill 36, Section 11.5 of this act shall become operative on the effective date of this act and Sections 6 and 11 of this act shall not become operative.

(b) If this bill is chaptered before Assembly Bill 36, Sections 6 and 11 of this act shall become operative on the effective date of this act

and shall cease to be operative on the effective date of Assembly Bill 36, at which time Section 11.5 of this act shall become operative.

SEC. 17. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall be applied in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year following the effective date.

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## CHAPTER 236

An act to amend Sections 821 and 822 of the Penal Code, relating to arrest.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 821 of the Penal Code is amended to read:

821. If the offense charged is a felony, and the arrest occurs in the county in which the warrant was issued, the officer making the arrest must take the defendant before the magistrate who issued the warrant or some other magistrate of the same county.

If the defendant is arrested in another county, the officer must, without unnecessary delay, inform the defendant in writing of his right to be taken before a magistrate in that county, note on the warrant that he has so informed defendant, and, upon being required by defendant, take him before a magistrate in that county, who must admit him to bail in the amount specified in the endorsement referred to in Section 815a, and direct the defendant to appear before the court or magistrate by whom the warrant was issued on or before a day certain which shall in no case be more than 25 days after such admittance to bail. If bail be forthwith given, the magistrate shall take the same and endorse thereon a memorandum of the aforesaid order for the appearance of the defendant, or, if the defendant so requires, he may be released on bail set on the warrant by the issuing court, as provided in Section 1269b of this code, without an appearance before a magistrate.

If the warrant on which the defendant is arrested in another county does not have bail set thereon, or if the defendant arrested in another county does not require the arresting officer to take him before a magistrate in that county for the purpose of being admitted

to bail, or if such defendant, after being admitted to bail, does not forthwith give bail, the arresting officer shall immediately notify the law enforcement agency requesting the arrest in the county in which the warrant was issued that such defendant is in custody, and thereafter such law enforcement agency shall take custody of such defendant within five days in the county in which he was arrested and shall take such defendant before the magistrate who issued the warrant, or before some other magistrate of the same county.

SEC. 2. Section 822 of the Penal Code is amended to read:

822. If the offense charged is a misdemeanor, and the defendant is arrested in another county, the officer must, without unnecessary delay, inform the defendant in writing of his right to be taken before a magistrate in that county, note on the warrant that he has so informed defendant, and, upon being required by defendant, take him before a magistrate in that county, who must admit him to bail in the amount specified in the indorsement referred to in Section 815a, or if no bail is specified, the magistrate may set bail; if the defendant is admitted to bail the magistrate shall direct the defendant to appear before the court or magistrate by whom the warrant was issued on or before a day certain which shall in no case be more than 25 days after such admittance to bail. If bail be forthwith given, the magistrate shall take the same and indorse thereon a memorandum of the aforesaid order for the appearance of the defendant.

If the defendant arrested in another county on a misdemeanor charge does not require the arresting officer to take him before a magistrate in that county for the purpose of being admitted to bail, or if such defendant, after being admitted to bail, does not forthwith give bail, the arresting officer shall immediately notify the law enforcement agency requesting the arrest in the county in which the warrant was issued that such defendant is in custody, and thereafter such law enforcement agency shall take custody of such defendant within five days in the county in which he was arrested and shall take such defendant before the magistrate who issued the warrant, or before some other magistrate of the same county.

If a defendant is arrested in another county on a warrant charging the commission of a misdemeanor, upon which warrant the amount of bail is indorsed as provided in Section 815a, and defendant is held in jail in the county of arrest pending appearance before a magistrate, the officer in charge of the jail shall, to the same extent as provided by Section 1269b, have authority to approve and accept bail from defendant in the amount indorsed on the warrant, to issue and sign an order for the release of the defendant, and, on posting of such bail, shall discharge defendant from custody.

## CHAPTER 237

An act to amend Section 3104 of the Public Resources Code, relating to oil and gas.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3104 of the Public Resources Code is amended to read:

3104. Each district deputy shall be a competent engineer or geologist, preferably registered in the state, and experienced in the development and production of oil and gas.

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CHAPTER 238

An act to amend Section 263.6 of the Streets and Highways Code, relating to state highways.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 263.6 of the Streets and Highways Code is amended to read:

263.6. The state scenic highway system shall also include:

Route 101 from:

- (a) Route 1 near El Rio to Route 46 near Paso Robles.
- (b) Route 156 near Prunedale northeasterly to Route 156.
- (c) A point in Marin County opposite San Francisco to Route 1 near Marin City.

(d) Route 37 near Ignacio to Route 37 near Novato.

(e) Route 20 near Calpella to Route 20 near Willits.

(f) Route 208 near Leggett to Route 199 near Crescent City.

(g) Route 197 near Fort Dick to the Oregon State Line.

Route 108 from Route 49 near Sonora to Route 395.

Route 111 from:

(a) Bombay Beach in Salton Sea State Park to Route 195 near Mecca.

(b) Route 74 near Palm Desert to Route 10 near Whitewater.

Route 116 from Route 101 near Cotati to Route 1 near Jenner.

Route 118 from Route 23 to DeSoto Avenue near Browns Canyon.

Route 120 from:

(a) Route 49 near Chinese Camp to Route 49 near Moccasin Creek.

(b) The east boundary of Yosemite National Park to Route 395 near Mono Lake.

Route 121 from:

(a) Route 37 near Sears Point to Route 12 near Sonoma.

(b) Route 29 near Napa State Hospital to Route 221 near Napa.

Route 125 from Route 94 near Spring Valley to Route 8 near La Mesa.

Route 126 from Route 150 near Santa Paula to Route 5 near Castaic.

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## CHAPTER 239

An act to amend the heading of Article 10 (commencing with Section 710) of Chapter 1 of Division 2 of, to amend Sections 1626 and 1627 of, to add Sections 715, 716, and 717 to, and to repeal Sections 2059, 2745, and 2874 of, the Business and Professions Code, relating to healing arts.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. The heading of Article 10 (commencing with Section 710) of Chapter 1 of Division 2 of the Business and Professions Code is amended to read:

### Article 10. Federal Personnel

SEC. 2. Section 715 is added to the Business and Professions Code, to read:

715. Unless otherwise required by federal law or regulation, no board under this division which licenses dentists, physicians and surgeons, or nurses may require a person to obtain or maintain any license to practice a profession or render services in the State of California if one of the following applies:

(a) The person practicing a profession or rendering services does so exclusively as an employee of a department, bureau, office, division, or similarly constituted agency of the federal government.

(b) The person practicing a profession or rendering services does so solely pursuant to a contract with the federal government on a federal reservation or at any facility wholly supported and maintained by the United States government.

(c) The person practicing a profession or rendering services does so pursuant to, or as a part of a program or project conducted or administered by a department, bureau, office, division, or similarly constituted agency of the federal government which by federal statute expressly exempts persons practicing a profession or rendering services as part of the program or project from state laws

requiring licensure.

SEC. 3. Section 716 is added to the Business and Professions Code, to read:

716. Notwithstanding any other provision of law, a board under this division may deny issuance of a license to an applicant or take disciplinary action against the holder of a California license for acts or omissions committed by the applicant or licensee in the course of professional practice or rendering services described in Section 715 if both of the following apply:

(a) The acts or omissions committed by the applicant or licensee constituted grounds for denial or discipline pursuant to the laws of this state governing licensees or applicants for licensure for the profession or vocation in question.

(b) The acts or omissions constituting the basis for denial or discipline by the agency were not authorized, exempted or rendered inconsistent by federal statute.

SEC. 4. Section 717 is added to the Business and Professions Code, to read:

717. This article is not intended to address the scope of practice of a dentist, physician and surgeon, or nurse licensed under this division, and nothing in this article shall be construed to restrict, expand, alter, or modify the existing scope of practice established by federal statute or regulation.

SEC. 4.5. Section 1626 of the Business and Professions Code is amended to read:

1626. It is unlawful for any person to engage in the practice of dentistry in the state, either privately or as an employee of a governmental agency or political subdivision, unless the person has obtained a license or special permit from the board. The following practices, acts and operations, however, are exempt from the operation of this chapter:

(a) The practice of oral surgery by a physician and surgeon licensed under the Medical Practice Act.

(b) The operations by bona fide students of dentistry or dental hygiene in the clinical departments or the laboratory of a reputable dental college approved by the Board of Dental Examiners, including operations by unlicensed students while engaged in dental extension programs which have been approved by a school of dentistry, and approved by the Board of Dental Examiners, and which are offered by the educational institution comprising the approved school of dentistry, and which are under the general programmatic and academic supervision of such school of dentistry.

(c) The practice of dentistry by licensed dentists of other states or countries while appearing and operating as bona fide clinicians or instructors in dental colleges approved by the Board of Dental Examiners.

(d) The practice of dentistry by licensed dentists of other states or countries in conducting or making a clinical demonstration before any bona fide dental or medical society, association or convention;

provided, however, the consent of the Board of Dental Examiners to the making and conducting of such clinical demonstration must be first had and obtained.

(e) The construction, making, alteration or repairing of bridges, crowns, dentures, or other prosthetic appliances, or orthodontic appliances, when the casts or impressions for this work have been made or taken by a licensed dentist, but a written authorization signed by a licensed dentist shall accompany the order for the work or it shall be performed in the office of a licensed dentist under his supervision. The burden of proving written authorization or direct supervision is upon the person charged with the violation of this chapter.

It is unlawful for any person acting under the exemption of this subdivision (e) to represent or hold out to the public in any manner that he will perform or render any of the services exempted by this subdivision that are rendered or performed under the provisions of this chapter by a licensed dentist, including the construction, making, alteration or repairing of dental prosthetic or orthodontic appliances.

(f) The manufacture or sale of wholesale dental supplies.

(g) The practice of dentistry or dental hygiene by applicants during a licensing examination conducted in this state by the licensing agency of another state which does not have a dental school; provided, however, that the consent of the board to the conducting of such examination shall first have been obtained and that the examination shall be conducted in a dental college accredited by the board.

(h) Except as provided in Article 10 (commencing with Section 710) of Chapter 1, the practice by personnel of the Air Force, Army, Coast Guard, or Navy or employees of the United States Public Health Service, Veterans' Administration, or Bureau of Indian Affairs when engaged in discharge of official duties.

SEC. 5. Section 1627 of the Business and Professions Code is amended to read:

1627. It is unlawful for any person to engage in the practice of dentistry in the state, either privately or as an employee of a governmental agency or political subdivision, unless the person has obtained a license or special permit from the board. Except as provided in Article 10 (commencing with Section 710) of Chapter 1, the provisions of this act do not apply to practice by personnel of the Air Force, Army, Coast Guard, or Navy or employees of the United States Public Health Service, Veterans' Administration, or Bureau of Indian Affairs when engaged in discharge of official duties.

The license of any dentist, existing at the time of the passage of this chapter, shall continue in force until it expires or is forfeited in the manner provided by this chapter.

SEC. 5.5. Section 1627 of the Business and Professions Code is amended to read:

1627. The license of any dentist, existing at the time of the

passage of this chapter, shall continue in force until it expires or is forfeited in the manner provided by this chapter.

SEC. 6. Section 2059 of the Business and Professions Code is repealed.

SEC. 7. Section 2745 of the Business and Professions Code is repealed.

SEC. 8. Section 2874 of the Business and Professions Code is repealed.

SEC. 9. It is the intent of the Legislature, if this bill and Assembly Bill 622 are both chaptered and become effective January 1, 1984, both bills amend Section 1627 of the Business and Professions Code, and this bill is chaptered after Assembly Bill 622, that the amendments to Section 1627 of the Business and Professions Code proposed by both bills be given effect and incorporated in Sections 1626 and 1627 of the Business and Professions Code in the form set forth in Sections 4.5 and 5.5 of this act. Therefore, Sections 4.5 and 5.5 of this act shall become operative only if this bill and Assembly Bill 622 are both chaptered and become effective on or before January 1, 1984, both amend Section 1627 of the Business and Professions Code, and this bill is chaptered after Assembly Bill 622, in which case Section 5 of this act shall not become operative.

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## CHAPTER 240

An act to amend Section 6103.5 of the Government Code, relating to process fees.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6103.5 of the Government Code is amended to read:

6103.5. Whenever a judgment is recovered by the plaintiff or petitioner, or by the defendant or respondent, in any action or proceeding to begin, or to defend, which under the provisions of Section 6103 no filing fee nor fee for service of process or notices by a sheriff, marshal, or constable has been paid, other than in a condemnation proceeding, quiet title action, action for the forfeiture of a fish net or nets or action for the forfeiture of an automobile or automobiles, the clerk entering the judgment shall include as a part of such judgment the amount of the filing fee and the amount of the fee for the service of process or notices which would have been paid but for Section 6103, designating it as such. When an amount equal to such filing fee and the fees for service of process and notices is collected upon that judgment, those amounts shall be due and payable to the clerk and the serving officer respectively. The clerk



shall ascertain from the serving officer's return the amount of fees he would have charged had it not been for the provisions of Section 6103. Remittances of the amounts so due shall be made at least quarterly during the year by the fiscal officer of the plaintiff or petitioner or respondent or defendant in the action or proceeding. No interest shall be computed or charged on the amount of such fee.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII, B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

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## CHAPTER 241

An act to add Section 829 to the Welfare and Institutions Code, relating to juvenile court records.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 829 is added to the Welfare and Institutions Code, to read:

829. Notwithstanding any other provision of law, the Board of Prison Terms, in order to evaluate the suitability for release of a person before the board, shall be entitled to review juvenile court records which have not been sealed, concerning the person before the board, if those records relate to a case in which the person was found to have committed an offense which brought the person within the jurisdiction of the juvenile court pursuant to Section 602.

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## CHAPTER 242

An act to amend Section 482 of, and to add Section 2284 to, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 482 of the Food and Agricultural Code is amended to read:

482. (a) The director may enter into cooperative agreements with individuals, associations, boards of supervisors, and with

departments, divisions, bureaus, boards, or commissions of this state or of the United States for the purpose of eradicating, controlling, or destroying any infectious disease or pest within this state.

(b) The director may enter into cooperative agreements with boards of supervisors or commissioners for the purpose of administering and enforcing this code.

(c) The director may enter into cooperative agreements with boards of supervisors and commissioners for the purpose of administering and enforcing any activity, duty, or responsibility under this code in addition to those activities, duties, or responsibilities specifically designated or authorized to be carried out by the commissioners. The cooperative agreement shall provide for payment to the county or commissioner for the county's or the commissioner's performance under the agreement except where payment is provided for elsewhere in this code. Where this code requires the director to perform an activity, duty, or responsibility, an agreement entered into under this subdivision does not relieve the director of ultimate responsibility for that performance.

SEC. 2. Section 2284 is added to the Food and Agricultural Code, to read:

2284. The commissioner may, with the approval of the board of supervisors, contract with any person or association to certify the condition of a shipment of a product regulated under this code. The condition certified to may include the temperature of the product. The contract shall provide for payment to the commissioner for the commissioner's total cost in performing the certification.

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## CHAPTER 243

An act to add Section 17537.5 to the Business and Professions Code, relating to false representations.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17537.5 is added to the Business and Professions Code, to read:

17537.5. (a) It is unlawful for any person soliciting a sale or order for energy conservation products or services to do any of the following:

(1) Make false claims of affiliation or association with an electrical or gas corporation or municipally owned and operated electrical or gas utility or its energy conservation programs.

(2) Falsely represent that the purchase of an energy conservation service or the purchase or installation of an energy conservation product is required by law.

(3) Misrepresent the nature of the purchaser's obligation for the purchase price of the energy conservation products or services.

(4) Misrepresent the tax consequences of purchasing energy conservation products or services.

(b) Any person, firm, corporation, partnership or association, and any employee or agent thereof who violates this section either (1) in the course of solicitation of a sale or order at a residence; or (2) by telephone; or (3) by any other method or at any other location, shall be liable for the damages provided by subdivision (c) of Section 17500.3, in addition to all other penalties provided by law.

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## CHAPTER 244

An act to amend Section 972 of the Evidence Code, relating to evidence.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983]

*The people of the State of California do enact as follows:*

SECTION 1 Section 972 of the Evidence Code is amended to read:

972. A married person does not have a privilege under this article in:

(a) A proceeding brought by or on behalf of one spouse against the other spouse.

(b) A proceeding to commit or otherwise place his or her spouse or his or her spouse's property, or both, under the control of another because of the spouse's alleged mental or physical condition.

(c) A proceeding brought by or on behalf of a spouse to establish his or her competence.

(d) A proceeding under the Juvenile Court Law, Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

(e) A criminal proceeding in which one spouse is charged with:

(1) A crime against the person or property of the other spouse or of a child of either, whether committed before or during marriage.

(2) A crime against the person or property of a third person committed in the course of committing a crime against the person or property of the other spouse, whether committed before or during marriage.

(3) Bigamy.

(4) A crime defined by Section 270 or 270a of the Penal Code.

(f) A proceeding resulting from a criminal act which occurred prior to legal marriage of the spouses to each other regarding knowledge acquired prior to such marriage if prior to the legal marriage the witness spouse was aware that his or her spouse had

been arrested for or had been formally charged with the crime or crimes about which the spouse is called to testify.

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## CHAPTER 245

An act to amend Section 886.5 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

**SECTION 1.** Section 886.5 of the Welfare and Institutions Code is amended to read:

886.5. Notwithstanding the provisions of Section 886, a juvenile home, ranch, camp, or forestry camp may receive or contain a maximum of 125 children at any one time if the county has submitted a request for approval for expanded capacity to the Department of the Youth Authority demonstrating a need for juvenile home, ranch, camp, or forestry camp placements which exceeds the beds available in the county, and the department has approved that request. Any request from a county to expand the capacity of a juvenile home, ranch, camp or forestry camp pursuant to this section shall certify that the facility to be expanded will continue to meet the minimum standards adopted and prescribed pursuant to Section 885 during the period of expanded capacity. The department shall approve any such request only after confirming by inspection of the facility sought to be expanded that the facility will comply with the minimum standards during its period of expanded capacity.

The Legislature finds and declares that the unique population pressures on juvenile detention facilities in Kern and Los Angeles Counties justify an authorization for limited term expansion, consistent with the safeguards set forth in this section, of the juvenile homes, ranches, camps and forestry camps in these two counties. Accordingly, the provisions of this section shall be applicable only to Kern and Los Angeles Counties.

The provisions of this section shall be operative only until January 1, 1986, and on that date are repealed unless a statute effective on or before that date extends or limits that date.

## CHAPTER 246

An act to amend, repeal, and add Section 46111 of the Education Code, relating to schools.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 46111 of the Education Code is amended to read:

46111. No pupil in a kindergarten shall be kept in school in any day more than four hours exclusive of recesses.

This section shall not apply to the Pasadena Unified School District, the San Bernardino Unified School District, and counties of the third class as determined pursuant to Section 28024 of the Government Code, as it read on January 1, 1977.

This section shall remain in effect only until January 1, 1987, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1987, deletes or extends such date.

SEC. 2. Section 46111 is added to the Education Code, to read:

46111. No pupil in a kindergarten shall be kept in school in any day more than four hours exclusive of recesses.

This section shall not apply to the Pasadena Unified School District and counties of the third class as determined pursuant to Section 28024 of the Government Code, as it read on January 1, 1977.

This section shall become operative January 1, 1987.

SEC. 3. Due to the unique circumstances concerning the kindergarten program of the San Bernardino Unified School District and the school district's efforts to desegregate and integrate, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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CHAPTER 247

An act to amend Section 2000 of the Corporations Code, relating to dissolution.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2000 of the Corporations Code is amended to read:

2000. (a) Subject to any contrary provision in the articles, in any

suit for involuntary dissolution, or in any proceeding for voluntary dissolution initiated by the vote of shareholders representing only 50 percent of the voting power, the corporation or, if it does not elect to purchase, the holders of 50 percent or more of the voting power of the corporation (the "purchasing parties") may avoid the dissolution of the corporation and the appointment of any receiver by purchasing for cash the shares owned by the plaintiffs or by the shareholders so initiating the proceeding (the "moving parties") at their fair value. The fair value shall be determined on the basis of the liquidation value as of the valuation date but taking into account the possibility, if any, of sale of the entire business as a going concern in a liquidation. In fixing the value, the amount of any damages resulting if the initiation of the dissolution is a breach by any moving party or parties of an agreement with the purchasing party or parties may be deducted from the amount payable to such moving party or parties, unless the ground for dissolution is that specified in paragraph (4) of subdivision (b) of Section 1800. The election of the corporation to purchase may be made by the approval of the outstanding shares (Section 152) excluding shares held by the moving parties.

(b) If the purchasing parties (1) elect to purchase the shares owned by the moving parties, and (2) are unable to agree with the moving parties upon the fair value of such shares, and (3) give bond with sufficient security to pay the estimated reasonable expenses (including attorneys' fees) of the moving parties if such expenses are recoverable under subdivision (c), the court upon application of the purchasing parties, either in the pending action or in a proceeding initiated in the superior court of the proper county by the purchasing parties in the case of a voluntary election to wind up and dissolve, shall stay the winding up and dissolution proceeding and shall proceed to ascertain and fix the fair value of the shares owned by the moving parties.

(c) The court shall appoint three disinterested appraisers to appraise the fair value of the shares owned by the moving parties, and shall make an order referring the matter to the appraisers so appointed for the purpose of ascertaining such value. The order shall prescribe the time and manner of producing evidence, if evidence is required. The award of the appraisers or of a majority of them, when confirmed by the court, shall be final and conclusive upon all parties. The court shall enter a decree which shall provide in the alternative for winding up and dissolution of the corporation unless payment is made for the shares within the time specified by the decree. If the purchasing parties do not make payment for the shares within the time specified, judgment shall be entered against them and the surety or sureties on the bond for the amount of the expenses (including attorneys' fees) of the moving parties. Any shareholder aggrieved by the action of the court may appeal therefrom.

(d) If the purchasing parties desire to prevent the winding up and dissolution, they shall pay to the moving parties the value of their

shares ascertained and decreed within the time specified pursuant to this section, or, in case of an appeal, as fixed on appeal. On receiving such payment or the tender thereof, the moving parties shall transfer their shares to the purchasing parties.

(e) For the purposes of this section, "shareholder" includes a beneficial owner of shares who has entered into an agreement under Section 300 or 706.

(f) For the purposes of this section, the valuation date shall be (1) in the case of a suit for involuntary dissolution under Section 1800, the date upon which that action was commenced, or (2) in the case of a proceeding for voluntary dissolution initiated by the vote of shareholders representing only 50 percent of the voting power, the date upon which that proceeding was initiated. However, in either case the court may, upon the hearing of a motion by any party, and for good cause shown, designate some other date as the valuation date.

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## CHAPTER 248

An act to amend Section 17538.5 of the Business and Professions Code, relating to advertising.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17538.5 of the Business and Professions Code is amended to read:

17538.5. It is unlawful in the sale or offering for sale of consumer goods or services for any person conducting a mail order or catalog business in this state and utilizing a post office box address or a street address representing a site used primarily for the receipt or delivery of mail or as a telephone answering service, to fail to disclose the legal name under which business is done and the complete street address from which business is actually conducted in all advertising and promotional materials, including order blanks and forms. Any violation of the provisions of this section is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding two thousand five hundred dollars (\$2,500), or by both.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or

eliminates a crime or infraction.

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## CHAPTER 249

An act to amend Section 8223 of, to repeal and add Section 8211 to, and to repeal Sections 8211.5 and 8211.8 of, the Government Code, relating to notary publics.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8211 of the Government Code is repealed.

SEC. 2. Section 8211 is added to the Government Code, to read:

8211. Fees charged by a notary public for the following services shall not exceed the fees prescribed by this section.

(a) For taking an acknowledgment or proof of a deed, or other instrument, to include the seal and the writing of the certificate, the sum of five dollars (\$5) for each signature.

(b) For administering an oath or affirmation to one person and executing the jurat, including the seal, the sum of five dollars (\$5).

(c) For all services rendered in connection with the taking of any deposition, the sum of ten dollars (\$10), and in addition thereto, the sum of two dollars (\$2) for administering the oath to the witness and the sum of two dollars (\$2) for the certificate to such deposition.

(d) For every protest for the nonpayment of a promissory note or for the nonpayment or nonacceptance of a bill of exchange, draft, or check, the sum of four dollars (\$4).

(e) For serving every notice of nonpayment of a promissory note or of nonpayment or nonacceptance of a bill of exchange, order, draft, or check, the sum of two dollars (\$2).

(f) For recording every protest, the sum of two dollars (\$2).

SEC. 3. Section 8211.5 of the Government Code is repealed.

SEC. 4. Section 8211.8 of the Government Code is repealed.

SEC. 5. Section 8223 of the Government Code is amended to read:

8223. No notary public who holds himself or herself out as being an immigration specialist, immigration consultant or any other title or description reflecting an expertise in immigration matters shall advertise in any manner whatsoever that he or she is a notary public.

The fee of a notary public, exclusive of signature verification, shall not exceed ten dollars (\$10) per individual for each set of forms relating to a change of that individual's immigration status. This fee limitation shall apply whether the notary is acting in his or her capacity as a notary or not but shall not apply to an attorney, who is also a notary public, who is rendering professional services regarding immigration matters.



## CHAPTER 250

An act to amend Sections 5152, 7152, and 9152 of the Corporations Code, relating to corporations.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 14, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5152 of the Corporations Code is amended to read:

5152. A corporation may provide in its bylaws for delegates having some or all of the authority of members. Where delegates are provided for, the bylaws shall set forth delegates' terms of office; any reasonable method for delegates' selection and removal; any reasonable method for calling, noticing and holding meetings of delegates; and may set forth the manner in which delegates may act by written ballot, consistent with the provisions of Section 5513. Delegates may only act personally at a meeting or by written ballot and may not act by proxy. Delegates may be given a name other than "delegates."

SEC. 2. Section 7152 of the Corporations Code is amended to read:

7152. A corporation may provide in its bylaws for delegates having some or all of the authority of members. Where delegates are provided for, the bylaws shall set forth delegates' terms of office; any reasonable method for delegates' selection and removal; any reasonable method for calling, noticing, and holding meetings of delegates; and may set forth the manner in which delegates may act by written ballot, consistent with the provisions of Section 7513. Delegates may only act personally at a meeting or by written ballot and may not act by proxy. Delegates may be given a name other than "delegates."

SEC. 3. Section 9152 of the Corporations Code is amended to read:

9152. Any corporation may provide in its bylaws for delegates having some or all of the authority of members. Where delegates are provided for, the bylaws shall set forth delegates' terms of office; any reasonable method for delegates' selection and removal; any reasonable method for calling, noticing and holding meetings of delegates; and may set forth the manner in which delegates may act by written ballot, consistent with the provisions of Section 9413. Delegates may only act personally at a meeting or by written ballot and may not act by proxy. Delegates may be given a name other than "delegates."

## CHAPTER 251

An act to amend Sections 54990 and 54993 of, and to add Section 56291.5 to, the Government Code, relating to local agencies.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 54990 of the Government Code is amended to read:

54990. Notwithstanding any other provision of law, when a local agency charges fees for zoning variances; zoning changes; use permits; building inspections; building permits; conducting proceedings pursuant to Section 56291.5; the processing of maps under the provisions of the Subdivision Map Act, Division 2 (commencing with Section 66410) of Title 7; or planning services under the authority of Chapter 3 (commencing with Section 65100) of Division 1 of Title 7 or under any other authority; those fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

SEC. 1.5. Section 54990 of the Government Code is amended to read:

54990. Notwithstanding any other provision of law, when a local agency charges fees for zoning variances; zoning changes; use permits; building inspections; building permits; filing and processing applications and petitions filed with the local agency formation commission or conducting preliminary proceedings or proceedings under the Municipal Organization Act, Part 1 (commencing with Section 35000) of Division 2 of Title 4; filing and processing applications and petitions filed with the local agency formation commission or conducting preliminary proceedings or proceedings under the Knox-Nisbet Act, Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5, or the District Reorganization Act of 1965, Division 1 (commencing with Section 56000) of Title 6; the processing of maps under the provisions of the Subdivision Map Act, Division 2 (commencing with Section 66410) of Title 7; or planning services under the authority of Chapter 3 (commencing with Section 65100) of Division 1 of Title 7 or under any other authority; those fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

SEC. 2. Section 54993 of the Government Code is amended to read:

54993. This chapter shall apply only to fees and charges as described in Sections 54990, 54991, 56291.5, 65250, 65551, 65909.5 and 66451.2 of this code, and in Sections 17951, 19132.3 and 19852 of the Health and Safety Code.

SEC. 2.5. Section 54993 of the Government Code is amended to read:

54993. This chapter shall apply only to fees and charges as described in Sections 35103, 35104, 54776.3, 54990, 54991, 56132, 56133, 56291.5, 65250, 65551, 65909.5 and 66451.2 of this code, and in Sections 17951, 19132.3 and 19852 of the Health and Safety Code.

SEC. 3. Section 56291.5 is added to the Government Code, to read:

56291.5. The board of supervisors of the principal county may establish a schedule of fees for the estimated expenses of conducting proceedings for a reorganization which includes the incorporation of a city. The fees shall not exceed the estimated reasonable cost of providing the service for which the fees are charged. These fees shall be imposed pursuant to Chapter 13 (commencing with Section 54990) of Part 1 of Division 2 of Title 5. Notification of the fee schedule shall be given to the chief petitioners upon receipt of the resolution making determinations from the local agency formation commission.

The conducting district or the board of supervisors shall be under no obligation to take further action with respect to the petition or resolution until the appropriate fees are paid.

SEC. 4. It is the intent of the Legislature, if this bill and Senate Bill 378 are both chaptered and become effective January 1, 1984, both bills amend Section 54990 of the Government Code, and this bill is chaptered after Senate Bill 378, that the amendments to Section 54990 proposed by both bills be given effect and incorporated in Section 54990 in the form set forth in Section 1.5 of this act. Therefore, Section 1.5 of this act shall become operative only if this bill and Senate Bill 378 are both chaptered and become effective January 1, 1984, both amend Section 54990, and this bill is chaptered after Senate Bill 378, in which case Section 1 of this act shall not become operative.

SEC. 5. It is the intent of the Legislature, if this bill and Senate Bill 378 are both chaptered and become effective January 1, 1984, both bills amend Section 54993 of the Government Code, and this bill is chaptered after Senate Bill 378, that the amendments to Section 54993 proposed by both bills be given effect and incorporated in Section 54993 in the form set forth in Section 2.5 of this act. Therefore, Section 2.5 of this act shall become operative only if this bill and Senate Bill 378 are both chaptered and become effective January 1, 1984, both amend Section 54993, and this bill is chaptered after Senate Bill 378, in which case Section 2 of this act shall not become operative.

## CHAPTER 252

An act to amend Section 7590.2 of the Business and Professions Code, relating to alarm companies.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 7590.2 of the Business and Professions Code is amended to read:

7590.2. An "alarm company operator" means any person who, for any consideration whatsoever, engages in business or accepts employment to install, maintain, alter, sell on premises, monitor, or service alarm systems or who responds to alarm systems except for any alarm agent. "Alarm company operator," however, does not include a telephone answering service which is retained by a licensed alarm company operator to monitor alarm systems for the licensed alarm company operator, or a business which merely sells from a fixed location or manufactures alarm systems unless the business services, installs, sells on premises, monitors, or responds to alarm systems at the protected premises.

A person licensed as an alarm company operator may not conduct any investigation or investigations except those that are incidental to personal injury, or the theft, loss, embezzlement, misappropriation, or concealment of any property, or any other thing enumerated in this section, which he or she has been hired or engaged to protect.

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CHAPTER 253

An act to amend Section 892 of the Evidence Code, relating to evidence.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 892 of the Evidence Code is amended to read:

892. In a civil action in which paternity is a relevant fact, the court may upon its own initiative or upon suggestion made by or on behalf of any person whose blood is involved, and shall upon motion of any party to the action made at a time so as not to delay the proceedings unduly, order the mother, child, and alleged father to submit to blood tests. If any party refuses to submit to such tests, the court may resolve the question of paternity against such party or

enforce its order if the rights of others and the interests of justice so require. Any party's refusal to submit to such tests shall be admissible in evidence in any proceeding to determine paternity.

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## CHAPTER 254

An act to amend Sections 6007 and 6180.12 of the Business and Professions Code, and to add Sections 353.1 and 473.1 to the Code of Civil Procedure, relating to attorneys.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6007 of the Business and Professions Code is amended to read:

6007. (a) When a member requires involuntary treatment pursuant to the provisions of Article 6 (commencing with Section 5300) of Chapter 2 of Division 5 of, or Part 2 (commencing with Section 6250) of Division 6 of the Welfare and Institutions Code, or under an order pursuant to Section 3051, 3106.5 or 3152 of the Welfare and Institutions Code he or she has been placed in or returned to inpatient status at the California Rehabilitation Center or its branches, or he or she has been determined insane or mentally incompetent and is confined for treatment or placed on outpatient status pursuant to the provisions of the Penal Code, or on account of his or her mental condition a guardian or conservator, for his or her estate or person or both, has been appointed, the board of governors or an officer of the State Bar shall enroll the member as an inactive member.

The clerk of the appropriate court concerned in any of the above proceedings shall immediately transmit to the board a certified copy of any determination, order, or adjudication for involuntary treatment or confinement or for the appointment of a guardian or conservator.

The clerk of the appropriate court concerned shall also transmit to the State Bar a certified copy of any notice of certification for intensive treatment filed with the court pursuant to Article 4 (commencing with Section 5250) of Chapter 2 of Division 5 of the Welfare and Institutions Code.

The State Bar of California may procure a certified copy of any determination, order, adjudication, appointment or notice when the clerk concerned has failed to transmit one or when the proceeding was had in a court other than a court of this state.

In the case of an enrollment pursuant to this subdivision, the State Bar shall terminate the enrollment when the member has had the fact of his or her restoration to capacity judicially determined, upon

the member's release from inpatient status at the California Rehabilitation Center or its branches pursuant to Section 3053, 3109 or 3151 of the Welfare and Institutions Code, or upon the member's unconditional release from the medical facility pursuant to Section 5304 or 5305 of the Welfare and Institutions Code; and on payment of all fees required.

When a member is placed in, returned to, or released from inpatient status at the California Rehabilitation Center or its branches, or discharged from the narcotics treatment program, the Director of Corrections or his or her designee shall transmit to the State Bar a certified notice attesting to such fact.

(b) The board shall also enroll a member of the State Bar as an inactive member in each of the following cases:

(1) A member asserts a claim of insanity or mental incompetence in any pending action or proceeding, alleging his or her inability to understand the nature of the action or proceeding or inability to assist counsel in representation of the member.

(2) The court makes an order assuming jurisdiction over the member's law practice, pursuant to Section 6180.5 or 6190.3.

(3) After notice and opportunity to be heard before the board or a committee, the board finds that the member, because of mental infirmity or illness, or because of the habitual use of intoxicants or drugs, is (i) unable or habitually fails to perform his or her duties or undertakings competently, or (ii) unable to practice law without danger to the interests of his or her clients and the public. No proceeding pursuant to this paragraph shall be instituted unless the board or a committee finds, after preliminary investigation, or during the course of a disciplinary proceeding, that probable cause exists therefor.

In the case of an enrollment pursuant to subdivision (b) the board shall terminate the enrollment upon proof that the facts found as to the member's disability no longer exist and on payment of all fees required.

(c) The pendency or determination of a proceeding or investigation provided for by this section shall not abate or terminate a disciplinary investigation or proceeding except as required by the facts and law in a particular case.

(d) No membership fees shall accrue against the member during the period he is enrolled as an inactive member pursuant to this section.

SEC. 2. Section 6180.12 of the Business and Professions Code is amended to read:

6180.12. A member of the State Bar appointed pursuant to Section 6180.5 shall serve without compensation. However, the member may be paid reasonable compensation by the State Bar in cases where the State Bar has determined that the member has devoted extraordinary time and services which were necessary to the performance of the member's duties under this article. All payments of compensation for time and services shall be at the

discretion of the State Bar. Any member shall be entitled to reimbursement from the State Bar for necessary expenses incurred in the performance of the member's duties under this article. Upon court approval of expenses or compensation for time and services, the State Bar shall be entitled to reimbursement therefor from the affected attorney or his or her estate.

SEC. 3. Section 353.1 is added to the Code of Civil Procedure, to read:

353.1. If a person entitled to bring an action or other proceeding, which action or other proceeding has not been filed or otherwise instituted, is represented by an attorney over whose practice a court of this state has assumed jurisdiction pursuant to Section 6180 or Section 6190 of the Business and Professions Code, and the application for the court to assume jurisdiction is filed prior to the expiration of the applicable statute of limitation or claim statute, the person shall have six months from the date of entry of the order assuming jurisdiction within which to file or otherwise institute the matter, if the applicable statute of limitation otherwise would have expired.

SEC. 4. Section 473.1 is added to the Code of Civil Procedure, to read:

473.1. The court may, upon such terms as may be just, relieve a party from a judgment, order, or other proceeding taken against him or her, including dismissal of an action pursuant to Sections 581, 581a, or 583, where a court of this state has assumed jurisdiction, pursuant to Section 6180 or 6190 of the Business and Professions Code, over the law practice of the attorney for the party and the judgment, order or other proceeding was taken against the party after the application for the court to assume jurisdiction over the practice was filed. Application for this relief shall be made within a reasonable period of time, in no case exceeding six months, after the court takes jurisdiction over the practice. However, in the case of a judgment, order, or other proceeding determining the ownership or right to possession of real or personal property, without extending the six-month period, when a notice in writing is personally served within the state both upon the party against whom the judgment, order, or other proceeding has been taken, and upon the attorney appointed pursuant to Section 6180.5 of the Business and Professions Code to act under the court's direction, notifying the party and the appointed attorney that the order, judgment, or other proceeding was taken against him or her and that any rights the party has to apply for relief under the provisions of the section shall expire 90 days after service of notice, then application for relief must be made within 90 days after service of the notice upon the defaulting party or the attorney appointed to act under the court's direction pursuant to Section 6180.5 of the Business and Professions Code, whichever service is later. No affidavit or declaration of merits shall be required of the moving party.

## CHAPTER 255

An act to amend Section 21661 of the Public Utilities Code, relating to aviation.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 21661 of the Public Utilities Code is amended to read:

21661. (a) This article does not apply to any temporary helicopter landing site, temporary seaplane landing site, or to airports owned or operated by the United States. To the extent necessary, the department may exempt any other class of airports, pursuant to a reasonable classification or grouping, from any rule or requirement thereof, promulgated under this article, if it finds that its application would be an undue burden on the class and is not required in the interest of public safety.

(b) Notwithstanding subdivision (a), the department shall impose and collect a fee for granting approval of temporary helicopter landing sites located within 1,000 feet of any school in accordance with Section 21662.5 in an amount sufficient to cover the actual costs of conducting the inspections and public review required by law.

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CHAPTER 256

An act to repeal Sections 81640, 81642, 81643, 81648, 81649, 81649.1, 81649.5, 81657, and 81658 of the Education Code, to repeal Sections 4380, 4381, 61600, 61620, 61625, 61626, 61626.5, and 61715 of, to repeal Chapter 3.5 (commencing with Section 4220) of Division 5 of Title 1 of, to repeal Article 9 (commencing with Section 25540) of Chapter 5 of Division 2 of Title 3 of, the Government Code, to repeal Sections 4080, 4081, 4082, 4083, 4084, 4085, 4131, 4137, 5820, 5900.5, 5900.6, 5900.7, 5910, 5950, 6075, 6077.5, 6080, 6272, 6273, 6274, 6295, 6301, 6302, 6303, 6304, 6862, 6863, 6864, 6865, 6895, 6901, 6902, 6903, 6904, 7149, 7153, 7154, 7155, 7156, and 7157 of the Harbors and Navigation Code, to repeal Sections 4602.4, 4602.5, 4627, 4634, 4636, 4636.8, 4741, 4742.2, 4755, 4865, 4885, 4888, 6407, 6512, 6515.1, 6515.2, 6515.3, 6515.5, 13852, 13867, and 13868 of the Health and Safety Code, to add Chapter 3 (commencing with Section 3400) to Part 1 of Division 2 of, Article 3.6 (commencing with Section 20150), Article 6 (commencing with Section 20202.1), Article 41 (commencing with Section 20650), Article 42 (commencing with Section 20670), Article 43 (commencing with Section 20680), Article 44 (commencing with Section 20690), Article 45 (commencing with Section 20710), Article 46 (commencing with Section 20720), Article 47 (commencing with



Section 20730), Article 48 (commencing with Section 20750), Article 49 (commencing with Section 20760), Article 50 (commencing with Section 20780), Article 51 (commencing with Section 20790), Article 52 (commencing with Section 20800), Article 53 (commencing with Section 20810), Article 54 (commencing with Section 20820), Article 55 (commencing with Section 20830), Article 56 (commencing with Section 20840), Article 57 (commencing with Section 20850), Article 58 (commencing with Section 20880), Article 59 (commencing with Section 20890), and Article 60 (commencing with Section 20910), to Chapter 1 of Part 3 of Division 2 of, the Public Contract Code, to repeal Sections 16406, 16461, 16463, 16464, 16465, 16466, 16502, 16503, 16504, 16505, 16506, 16507, 16508, 16532, 16533, 16534, 16535, 16536, 16537, 16538, 16539, 16540, 16541, 16542, 16543, and 16544 of the Public Utilities Code, and to repeal Sections 5820, 5834, 5834.1, 5835, 5835.1, 5835.2, 5835.3, 5896.1, 5896.2, 5896.9, 5896.10, 5896.11, 5896.12, 6760, 6764, 6765, 6766, 6767, 6768, 6769, 6770, 6771, 6772, 6780, 6781, 6782, 6783, 6784, 6785, 6786, 6787, 6788, 6789, 6790, 6791, 6792, 6793, 6794, 19002, 19150, 19165, 19165.1, 19166, 22006, 22110, 22111, 22112, 22675, 22676, 22677, 22678, 22679, 27164, 27170, 27173, 27173.5, 27173.6, 27173.7, 27173.9, and 27173.10 of the Streets and Highways Code, relating to public contracts.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

- SECTION 1. Section 81640 of the Education Code is repealed.
- SEC. 2. Section 81642 of the Education Code is repealed.
- SEC. 3. Section 81643 of the Education Code is repealed.
- SEC. 4. Section 81648 of the Education Code is repealed.
- SEC. 5. Section 81649 of the Education Code is repealed.
- SEC. 6. Section 81649.1 of the Education Code is repealed.
- SEC. 7. Section 81649.5 of the Education Code is repealed.
- SEC. 8. Section 81657 of the Education Code is repealed.
- SEC. 9. Section 81658 of the Education Code is repealed.
- SEC. 10. Chapter 3.5 (commencing with Section 4220) of Division 5 of Title 1 of the Government Code is repealed.
- SEC. 11. Section 4380 of the Government Code is repealed.
- SEC. 12. Section 4381 of the Government Code is repealed.
- SEC. 13. Article 9 (commencing with Section 25540) of Chapter 5 of Division 2 of Title 3 of the Government Code is repealed.
- SEC. 14. Section 61600 of the Government Code is repealed.
- SEC. 15. Section 61620 of the Government Code is repealed.
- SEC. 16. Section 61625 of the Government Code is repealed.
- SEC. 17. Section 61626 of the Government Code is repealed.
- SEC. 18. Section 61626.5 of the Government Code is repealed.
- SEC. 19. Section 61715 of the Government Code is repealed.
- SEC. 20. Section 4080 of the Harbors and Navigation Code is

repealed.

SEC. 21. Section 4081 of the Harbors and Navigation Code is repealed.

SEC. 22. Section 4082 of the Harbors and Navigation Code is repealed.

SEC. 23. Section 4083 of the Harbors and Navigation Code is repealed.

SEC. 24. Section 4084 of the Harbors and Navigation Code is repealed.

SEC. 25. Section 4085 of the Harbors and Navigation Code is repealed.

SEC. 26. Section 4131 of the Harbors and Navigation Code is repealed.

SEC. 27. Section 4137 of the Harbors and Navigation Code is repealed.

SEC. 28. Section 5820 of the Harbors and Navigation Code is repealed.

SEC. 29. Section 5900.5 of the Harbors and Navigation Code is repealed.

SEC. 30. Section 5900.6 of the Harbors and Navigation Code is repealed.

SEC. 31. Section 5900.7 of the Harbors and Navigation Code is repealed.

SEC. 32. Section 5910 of the Harbors and Navigation Code is repealed.

SEC. 33. Section 5950 of the Harbors and Navigation Code is repealed.

SEC. 34. Section 6075 of the Harbors and Navigation Code is repealed.

SEC. 35. Section 6077.5 of the Harbors and Navigation Code is repealed.

SEC. 36. Section 6080 of the Harbors and Navigation Code is repealed.

SEC. 37. Section 6272 of the Harbors and Navigation Code is repealed.

SEC. 38. Section 6273 of the Harbors and Navigation Code is repealed.

SEC. 39. Section 6274 of the Harbors and Navigation Code is repealed.

SEC. 40. Section 6295 of the Harbors and Navigation Code is repealed.

SEC. 41. Section 6301 of the Harbors and Navigation Code is repealed.

SEC. 42. Section 6302 of the Harbors and Navigation Code is repealed.

SEC. 43. Section 6303 of the Harbors and Navigation Code is repealed.

SEC. 44. Section 6304 of the Harbors and Navigation Code is repealed.

- SEC. 45. Section 6862 of the Harbors and Navigation Code is repealed.
- SEC. 46. Section 6863 of the Harbors and Navigation Code is repealed.
- SEC. 47. Section 6864 of the Harbors and Navigation Code is repealed.
- SEC. 48. Section 6865 of the Harbors and Navigation Code is repealed.
- SEC. 49. Section 6895 of the Harbors and Navigation Code is repealed.
- SEC. 50. Section 6901 of the Harbors and Navigation Code is repealed.
- SEC. 51. Section 6902 of the Harbors and Navigation Code is repealed.
- SEC. 52. Section 6903 of the Harbors and Navigation Code is repealed.
- SEC. 53. Section 6904 of the Harbors and Navigation Code is repealed.
- SEC. 54. Section 7149 of the Harbors and Navigation Code is repealed.
- SEC. 55. Section 7153 of the Harbors and Navigation Code is repealed.
- SEC. 56. Section 7154 of the Harbors and Navigation Code is repealed.
- SEC. 57. Section 7155 of the Harbors and Navigation Code is repealed.
- SEC. 58. Section 7156 of the Harbors and Navigation Code is repealed.
- SEC. 59. Section 7157 of the Harbors and Navigation Code is repealed.
- SEC. 60. Section 4602.4 of the Health and Safety Code is repealed.
- SEC. 61. Section 4602.5 of the Health and Safety Code is repealed.
- SEC. 62. Section 4627 of the Health and Safety Code is repealed.
- SEC. 63. Section 4634 of the Health and Safety Code is repealed.
- SEC. 64. Section 4636 of the Health and Safety Code is repealed.
- SEC. 65. Section 4636.8 of the Health and Safety Code is repealed.
- SEC. 66. Section 4741 of the Health and Safety Code is repealed.
- SEC. 67. Section 4742.2 of the Health and Safety Code is repealed.
- SEC. 68. Section 4755 of the Health and Safety Code is repealed.
- SEC. 69. Section 4865 of the Health and Safety Code is repealed.
- SEC. 70. Section 4885 of the Health and Safety Code is repealed.
- SEC. 71. Section 4888 of the Health and Safety Code is repealed.
- SEC. 72. Section 6407 of the Health and Safety Code is repealed.
- SEC. 73. Section 6512 of the Health and Safety Code is repealed.
- SEC. 74. Section 6515.1 of the Health and Safety Code is repealed.
- SEC. 75. Section 6515.2 of the Health and Safety Code is repealed.
- SEC. 76. Section 6515.3 of the Health and Safety Code is repealed.
- SEC. 77. Section 6515.5 of the Health and Safety Code is repealed.
- SEC. 78. Section 13852 of the Health and Safety Code is repealed.

SEC. 79. Section 13867 of the Health and Safety Code is repealed.

SEC. 80. Section 13868 of the Health and Safety Code is repealed.

SEC. 81. Chapter 3 (commencing with Section 3400) is added to Part 1 of Division 2 of the Public Contract Code, to read:

### CHAPTER 3. FORMATION

#### Article 5. Preference for Materials

3400. (a) No agency of the state nor any political subdivision, municipal corporation, or district, nor any public officer or person charged with the letting of contracts for the construction, alteration, or repair of public works shall draft or cause to be drafted specifications for bids, in connection with the construction, alteration, or repair of public works, (1) in such a manner as to limit the bidding, directly or indirectly, to any one specific concern, or (2) except in those instances where the product is designated to match others in use on a particular public improvement either completed or in the course of completion, calling for a designated material, product, thing, or service by specific brand or trade name unless the specification lists at least two brands or trade names of comparable quality or utility and is followed by the words "or equal" so that bidders may furnish any equal material, product, thing, or service. In applying this section, the specifying agency shall, if aware of an equal product manufactured in California, name such product in the specification. In those cases involving a unique or novel product application required to be used in the public interest, or where only one brand or trade name is known to the specifying agency, it may list only one. Specifications shall provide a period of time of at least 35 days after award of the contract for submission of data substantiating a request for a substitution of "an equal" item.

(b) Subdivision (a) shall not be applicable if the governing body of one of the entities named therein by resolution makes a finding which is included in the specifications that a particular material, product, thing, or service is designated by specific brand or trade name in order that a field test or experiment may be made to determine the product's suitability for future use.

SEC. 82. Article 3.6 (commencing with Section 20150) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 3.6.

20150. The provisions of this article shall apply to contracts by counties of 500,000 or less population as provided for in Part 2 (commencing with Section 25000) of Division 2 of Title 3 of the Government Code.

20150.1. Notwithstanding any other provision of law, every county, whether general law or charter, containing a population of

less than 500,000 shall employ bidding procedures on public projects as provided in this article. This article shall be liberally construed to effect its purposes. In the event of conflict with any other provision of law relative to bidding procedures, the provisions of this article shall apply.

20150.2. As used in this article, "public project" means:

(a) A project for the erection, improvement, and repair of public buildings and works.

(b) Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow, except maintenance, repair, or reconstruction work.

(c) Supplies and materials used in maintenance, repair, or reconstruction work in or about streams, bays, waterfronts, embankments; or other maintenance, repair, or reconstruction work for protection against overflow.

The provisions of this article shall not change existing law regarding inclusion or exclusion of labor or materials used for completion of the project.

Except for the erection, improvement and repair of public buildings, the construction of dams, reservoirs, powerplants and electrical transmission lines of 230,000 volts and higher, nothing in this article shall apply to a publicly owned water, power or waste disposal system.

20150.3. Expenditures for public projects shall not include the costs of:

(a) Equipment, supplies and materials acquired by a public agency to enable the timely completion of a public project as defined in subdivision (c) of Section 20150.2 let to a contractor.

(b) Plans, specifications, engineering and advertising required for public projects.

20150.4. Public projects between four thousand dollars (\$4,000) and ten thousand dollars (\$10,000) shall be let to contract by informal or formal bidding procedures.

Public projects of ten thousand dollars (\$10,000) and more shall, in all instances, be let to contract by formal bidding procedure.

20150.5. Each county shall adopt ordinances or regulations providing for formal and informal bidding procedures as required by this article for public projects conducted by such county.

20150.6. Ordinances or regulations establishing informal bidding procedures shall provide that the county shall, as soon as is practicable after the time for the renewal of contractors' licenses, notify each contractor of the county of the opportunity to register with the county to be subsequently notified of informal bidding proceedings. The list of such contractors shall be a public record.

20150.7. The notice inviting informal bids shall be by published notice and may, in addition, be supplemented by mailed notice to contractors registered pursuant to Section 20150.6. The county may cause the notice to be printed as display advertising in such form and style as it deems appropriate. The notice shall describe in general

terms the project to be done and state a closing date for submission of such informal bids. Publication of notice pursuant to this section shall be in a newspaper of general circulation printed and published within the jurisdiction of the county, or, if there is no such newspaper within the jurisdiction of the county, publication shall be made in a newspaper of general circulation which is circulated in the jurisdiction of the county, or, if there is no such publication, the notice shall be posted in at least three public places within the jurisdiction of the county as have been designated by ordinance or regulation of such county as places for the posting of its notices. Notice shall be published in accordance with Section 6061 of the Government Code and shall be completed at least 24 hours before the time scheduled for opening of the bids.

In addition to notice published in a newspaper of general circulation, mailed, or posted, pursuant to this section, the county may also publish notice inviting bids in a trade publication.

20150.8. The notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly state the project to be done. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids. Notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the county, or, if there is no such newspaper within the jurisdiction of the county, publication shall be made in a newspaper of general circulation which is circulated in the jurisdiction of the county, or, if there is no such publication, the notice shall be posted in at least three public places within the jurisdiction of the county as have been designated by ordinance or regulation of such county as places for the posting of its notices.

In addition to notice published in a newspaper of general circulation, mailed, or posted, pursuant to this section, the county may also publish notice inviting bids in a trade publication.

20150.9. In its discretion, the county may reject any bids presented. If, after the first invitation for bids, all bids are rejected, after reevaluating its cost estimates of the project, the county shall abandon the project or shall readvertise for bids in the manner prescribed by this article. If after readvertising, the county rejects all bids presented, the county may proceed with the project by use of county personnel or may readvertise. If two or more bids are the same and the lowest, the county may accept the one it chooses. If no bids are received, the county may have the project done without further complying with this article.

20150.10. Notwithstanding the provisions of Section 20150.9, if, after the first invitation for bids, all bids are rejected, the county may, after reevaluating its cost estimates of the project, pass a resolution by a four-fifths vote of its board of supervisors declaring that the project can be performed more economically by county personnel, or that in its opinion a contract to perform the project can be negotiated at a lower price than that in any of the bids, or the

materials or supplies furnished at a lower price in the open market. Upon adoption of the resolution, it may have the project done in the manner stated without further complying with this article.

20150.11. It shall be unlawful to split or separate into smaller work orders or projects any public project for the purpose of evading the provisions of this article requiring public projects to be done by contract after bidding. Every person who willfully violates this provision of this section is guilty of a misdemeanor.

20150.12. The board of supervisors of the county shall adopt plans, specifications, and working details for all public projects the expenditure for which exceeds ten thousand dollars (\$10,000).

20150.13. All bidders on public projects which exceed ten thousand dollars (\$10,000) in cost, shall be afforded the opportunity to examine the plans, specifications, and working details for the project.

20150.14. The provisions of this article shall not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2, Part 1, Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to such camps, ranches, or homes; or to public projects employing prisoners pursuant to Section 25359 of the Government Code and public projects involving persons engaged in federal, state, or county job or work training programs.

SEC. 83. Article 6 (commencing with Section 20202.1) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 6.

20202.1. The provisions of this article shall apply to contracts by public utility districts as provided for in the Public Utility District Act pursuant to Division 7 (commencing with Section 15501) of the Public Utilities Code.

20202.2. A district may make contracts, employ labor, and do all acts necessary and convenient for the full exercise of its powers.

20202.3. A district may acquire, construct, own, operate, control, or use, within or without or partly within and partly without the district, works for supplying its inhabitants with light, water, power, heat, transportation, telephone service, or other means of communication, or means for the disposition of garbage, sewage, or refuse matter, and may do all things necessary or convenient to the full exercise of the powers granted in this article.

20202.4. A district may acquire, construct, own, complete, use, and operate a fire department, street lighting system, public parks, public playgrounds, golf courses, public swimming pools, public recreation buildings, buildings to be used for public purposes, and works to provide for the drainage of roads, streets, and public places,

including, but not limited to, curbs, gutters, sidewalks, and pavement of streets. For the purposes of the Public Utility District Act all of the foregoing projects shall be considered a public utility or public utility works.

20203.1. A district may construct works across or along any street or public highway, or over any land which is the property of the state, and has the same rights and privileges appertaining thereto as are granted to cities within the state.

20203.2. A district may construct its works across any stream of water or watercourse.

20203.3. A district using a street or highway shall restore it to its former state as near as may be, and shall not unnecessarily impair its usefulness.

20204.1. All bidders shall be afforded an opportunity to examine such plans and specifications, and the board shall award the contract to the lowest responsible bidder. The plans and specifications adopted shall be attached to and become part of the contract.

20204.2. The person or corporation to whom the contract is awarded shall execute a bond, to be approved by the board, for the faithful performance of the contract.

20205.1. In cases of great emergency, by the consent of at least two-thirds of its members, the board may at once do or cause to be done without notice all repair or replacement work necessary to meet the emergency.

20205.2. Nothing in this article prohibits the board from doing or causing to be done directly by the district, and without any contract, any or all work necessary or proper in or about the making of all current and ordinary repairs or in or about current and ordinary upkeep or maintenance.

20206.1. Upon the determination of the board by an affirmative vote of two-thirds of its members that all bids submitted are unsatisfactory or are excessive, the district may do any necessary and proper work and make any necessary and proper expenditures in lieu of contracting for the performance of such proposed work.

20206.2. Plans and specifications when once adopted shall not be altered or changed in any manner whereby the cost of the proposed work is increased, except by a vote of two-thirds of the board.

20206.3. A contract made under this article shall not be altered or changed in any manner, except when first ordered by a vote of two-thirds of the board, and with the consent of the contractor. The particular change or alteration shall be specified in writing and its cost agreed upon between the board and the contractor. In no case shall the board pay or become liable to pay for any extra work done or extra material furnished.

20206.4. Except as otherwise provided in this article, the board shall annually advertise for sealed bids for furnishing the district with goods, merchandise, stores, subsistence, printing, materials, and all other supplies, and advertising. The advertisement shall be published pursuant to Section 6062 of the Government Code in the



county in which the greater part of the district is situated.

20206.5. All bids shall be upon a schedule prepared by the clerk, showing all articles needed by the district and its several offices and stating separately the price of each article to be furnished. Any person may bid upon any article separately.

20206.6. Notices of proposals for furnishing articles shall mention the articles in general and shall state that the conditions and schedule may be found in the office of the clerk of the district and that the articles are to be delivered at such times, in such quantities, and in such manner as the board may designate.

20206.7. All proposals shall be accompanied with a certificate of deposit or certified check of 10 percent of the amount of the bid, drawn on a solvent bank within the district or the county in which the district is located, payable at sight to the order of the clerk of the district.

20206.8. If the bidder to whom the contract is awarded fails or neglects to enter into the contract and file the required bond for five days after the award, the clerk shall draw the money due on the certificate of deposit or check and pay it into the treasury of the district. Under no circumstances shall the certificate of deposit or check or the proceeds thereof be returned to the defaulting bidder.

20206.9. The clerk shall furnish printed blanks for all proposals, contracts, and bonds.

20207.1. In considering bids the board may accept or reject all or any of them, or may accept or reject part of a bid, preference being given to the lowest responsible bidder. The award as to each article shall in all cases be made to the lowest bidder for such article.

20207.2. All supplies furnished the district or its officers shall be furnished at a price no greater than is specified in the bid accepted by the board.

20207.3. All bids shall be opened by the board at an hour and place to be stated in the advertisements for proposals, in the presence of all bidders who attend, and the bidders may inspect the bids.

20207.4. All contracts shall be made with the lowest responsible bidder, who shall give bonds for the faithful performance of the contract.

20207.5. "Advertising" means the advertising and publication of all official reports, orders, ordinances, resolutions, notices inviting proposals, and all notices of every nature relating to work or business of the district. Advertising shall not be classified. No part or kind of advertising shall be charged or contracted for at a higher rate than any other part or kind is charged or contracted for, except in the case of the delinquent tax list. The advertising of the delinquent tax list shall be let to the lowest responsible bidder on a separate bidding from all other advertising. A square of advertising shall be 234 ems nonpareil.

20207.6. No officer or employee of the district shall order any article or make any publication which is not expressly authorized by

this division or by the board.

20207.7. Unless the amount involved in the purchase at any one time of any articles for which no contract has been entered into exceeds four thousand dollars (\$4,000), the board may purchase the articles without the necessity of advertising or letting contracts. Where the cost of any articles for which no contract has been entered into exceeds four thousand dollars (\$4,000), the board shall advertise for sealed bids for furnishing the district such articles. In the matter of advertising, opening and accepting bids, and the letting of contracts, the board shall proceed in all respects in the manner and form provided in the case of contracts for annual supplies.

SEC. 84. Article 41 (commencing with Section 20650) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 41.

20650. The provisions of this article shall apply to contracts by community college districts as provided for in Part 49 (commencing with Section 81000) of the Education Code.

20651. The governing board of any community college district shall let any contracts involving an expenditure of more than twelve thousand dollars (\$12,000) for work to be done or more than eighteen thousand dollars (\$18,000) for materials or supplies to be furnished, sold, or leased to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids. This section applies to all materials and supplies whether patented or otherwise.

20652. Notwithstanding any other provisions of Sections 81640 to 81654, inclusive, of the Education Code, or of Sections 20651 to 20659, inclusive, of this code, the governing board of any community college district without advertising for bids may authorize by contract, lease, requisition or purchase order, any public corporation or agency within the county whose superintendent of schools has jurisdiction over such district, to lease data processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors and other personal property for the district in the manner in which such other public corporation or agency is authorized by law to make such leases or purchases. Upon receipt of any such personal property, provided the same complies with the specifications set forth in the contract, lease, requisition or purchase order, the community college district shall draw a warrant in favor of such other public corporation or agency for the amount of the approved invoice, including the reasonable costs to such other public corporation or agency for furnishing the services incidental to the lease or purchase of such personal property.

20653. Nothing in this code shall preclude the governing board of any community college district from purchasing materials, equipment or supplies through the Department of General Services pursuant to Section 14814 of the Government Code.

20654. In an emergency when any repairs, alterations, work or improvement is necessary to permit the continuance of existing college classes, or to avoid danger to life or property, the board may by unanimous vote, with the approval of the county superintendent of schools, make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.

20655. In each community college district, the governing board may make repairs, alterations, additions, or painting, repainting, or decorating upon school buildings, repair or build apparatus or equipment, make improvements on the school grounds, erect new buildings, and perform maintenance as defined in Section 20656 by day labor, or by force account, whenever the total cost of labor on the job does not exceed seven thousand five hundred dollars (\$7,500), or the total number of hours on the job does not exceed 350 hours, whichever is greater, provided that in any district having an average daily attendance of 15,000 or greater, the governing board may, in addition, make repairs to school buildings, grounds, apparatus, or equipment, including painting or repainting, and perform maintenance as defined in Section 20656, by day labor or by force account whenever the total cost of labor on the job does not exceed fifteen thousand dollars (\$15,000), or the total number of hours on the job does not exceed 750 hours, whichever is greater.

For purposes of this section, day labor shall include the use of maintenance personnel employed on a permanent or temporary basis.

20656. For purposes of Section 20655, "maintenance" means routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered or repaired. "Facility" means any plant, building, structure, ground facility, utility system, or real property.

This definition of "maintenance" expressly includes, but is not limited to: carpentry, electrical, plumbing, glazing, and other craft work designed consistent with the definition set forth above to preserve the facility in a safe, efficient, and continually usable condition for which it was intended, including repairs, cleaning, and other operations on machinery and other equipment permanently attached to the building or realty as fixtures.

This definition does not include, among other types of work, janitorial or custodial services and protection of the sort provided by guards or other security forces.

It is the intent of the Legislature that this definition does not include painting, repainting, or decorating other than touchup, but instead it is the intent of the Legislature that such activities be controlled directly by the provisions of Section 20655.

20657. It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the

provisions of this article requiring work to be done by contract after competitive bidding.

The district shall maintain job orders or similar records indicating the total cost expended on each project in accordance with the procedures established in the most recent edition of the California Community College Budget and Accounting Manual for a period of not less than three years after completion of the project.

Notwithstanding the provisions of Section 20651, informal bidding may be used on projects estimated by the district to cost up to and including the limits set forth in Section 20655. For the purpose of securing informal bids, the board shall publish annually in a newspaper of general circulation published in the district, or if there is no such newspaper, then in some newspaper in general circulation in the county, a notice inviting contractors to register to be notified of future informal bidding projects. All contractors included on the informal bidding list shall be given notice of all informal bid projects, in such manner as the district deems appropriate.

20658. The governing board of any community college district may by majority vote authorize its district superintendent, or such person as he or she may designate, to expend up to two hundred fifty dollars (\$250) per transaction for work done, compensation for employees or consultants, and purchases of equipment, supplies, or materials. Ratification by the governing board shall not be required with respect to transactions entered into pursuant to this section. In the event of malfeasance in office, the district official invested by the governing board with authority to act under this section shall be personally liable for any and all moneys of the district paid out as a result of such malfeasance.

20659. If any change or alteration of a contract governed by the provisions of this article is ordered by the governing board of the community college district, such change or alteration shall be specified in writing and the cost agreed upon between the governing board and the contractor. The board may authorize the contractor to proceed with performance of the change or alteration without the formality of securing bids, if the cost so agreed upon does not exceed the greater of:

- (a) The amount specified in Section 20651 or 20655, whichever is applicable to the original contract; or
- (b) Ten percent of the original contract price.

SEC. 85. Article 42 (commencing with Section 20670) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 42.

20670. The provisions of this article shall apply to contracts by public entities as provided for in Division 5 (commencing with Section 4000) of the Government Code.

20671. As used in this chapter:

- (a) "Public leaseback" means any lease by a public entity, as

lessee, of buildings, structures, or other facilities which are permanently attached to land, where the lease is between the public entity and a public leaseback corporation, as lessor, and the lease is executed before the buildings, structures, or facilities have been built.

(b) "Public entity" means any city, charter city, city and county, county, district, public corporation, or political subdivision of the state.

(c) "Public leaseback corporation" means any corporation or nonprofit corporation organized or controlled by a public entity which constructs or arranges for the construction of buildings, structures, or other facilities which are permanently attached to land for public leaseback.

(d) "Public projects" means the construction of buildings, structures, or other facilities which are permanently attached to land.

20672. Any public project by a public leaseback corporation in excess of three thousand dollars (\$3,000) shall be constructed under contract awarded to the lowest responsible bidder, and such contract shall require the payment of prevailing wages as determined by the public leaseback corporation in the manner and form provided in Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

20673. For the purpose of securing bids, the public leaseback corporation shall give notice of the time and place for opening bids to prospective bidders by publication once a week for two consecutive weeks in a newspaper of general circulation printed and published in the jurisdiction in which the land is located, or if located in more than one jurisdiction, in such a newspaper in a jurisdiction in which a major portion of the project is to be done. If there is no such newspaper, then publication shall be in a newspaper of general circulation circulating in the jurisdiction.

20674. All bids shall be presented under sealed cover. Any bid may be withdrawn at any time prior to the time fixed in the public notice for the opening of bids by written request for the withdrawal of the bid filed with the public leaseback corporation. The request shall be executed by the bidder or his duly authorized representative. The withdrawal of a bid does not prejudice the right of the bidder to submit a new bid. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time.

20675. If the public leaseback corporation deems the acceptance of the lowest responsible bid is not in the best interests of the public entity the public leaseback corporation may reject all bids and advertise for other bids in the manner required by this chapter.

SEC. 86. Article 43 (commencing with Section 20680) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

## Article 43.

20680. The provisions of this article shall apply to contracts by community services districts as provided for in the Community Services District Law pursuant to Division 3 (commencing with Section 61000) of the Government Code.

20681. A district formed under this law may exercise the powers hereinafter granted for such of the following purposes as have been designated in the petition for formation of such district and for such others of the following purposes as the district shall adopt as hereinafter provided:

(a) To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

(b) The collection, treatment or disposal of sewage, waste and storm water of the district and its inhabitants.

(c) The collection or disposal of garbage or refuse matter.

(d) Protection against fire.

(e) Public recreation by means of parks, including, but not limited to, aquatic parks and recreational harbors, playgrounds, golf courses, swimming pools or recreation buildings.

(f) Street lighting.

(g) Mosquito abatement.

(h) The equipment and maintenance of a police department or other police protection to protect and safeguard life and property.

(i) To acquire sites for, construct, and maintain library buildings, and to cooperate with other governmental agencies for library service.

(j) The opening, widening, extending, straightening, surfacing, and maintaining, in whole or part of any street in such district, subject to the consent of the governing body of the county or city in which said improvement is to be made.

(k) The construction and improvement of bridges, culverts, curbs, gutters, drains, and works incidental to the purposes specified in subdivision (j), subject to the consent of the governing body of the county or city in which said improvement is to be made.

(l) The conversion of existing overhead electric and communication facilities to underground locations, which facilities are owned and operated by either a "public agency" or a "public utility," as defined in Section 20882, and to take proceedings for and to finance the cost of such conversion in accordance with the provisions of Chapter 28 (commencing with Section 5896.1) of Part 3 of Division 7 of the Streets and Highways Code, subject to the consent of the public agency or public utility responsible for the owning, operation and maintenance of such facilities. Nothing herein contained shall be construed as giving a district formed under this law the power to install, own or operate such facilities as are described in this subdivision.

(m) To contract for ambulance service to serve the residents of

the district as convenience requires, if a majority of the voters in the district, voting in an election thereon, approve.

(n) To provide and maintain public airports and landing places for aerial traffic.

(o) To provide transportation services.

20682. A district may perform any work of construction or operation under its own superintendence or may contract for the performance of such work by others.

20683. A district may construct any works along, under, or across any street, road, highway, or other property devoted to a public use subject to consent of the governing body in charge of such public use.

20684. A district may enter into an agreement with any public or private corporation whereby any work or improvement may be operated and maintained by the corporation. The power to make such an agreement is conditioned upon a finding by the board that the residents of the district would be better served by such operation and maintenance.

20685. All contracts for the construction of any unit of work, except as hereinafter provided, estimated to cost in excess of five thousand dollars (\$5,000) shall be let to the lowest bidder after competitive bidding. The board shall have the right to reject any and all bids, in which case the board may call for new bids. In the event no proposals are received or where the estimated cost of such work does not exceed the sum of five thousand dollars (\$5,000) or where the work consists of emergency work necessary in order to protect life and property, the board of directors may have said work done by force account. The district shall have the power to purchase in the open market without calling for bids, materials and supplies for use in any work therewith either under contract, or by force account; provided, however, that materials and supplies for use in any new construction work or improvement, except work referred to in the preceding sentence, may not be purchased if the cost thereof exceeds five thousand dollars (\$5,000), without calling for bids and awarding the contract therefor to the lowest responsible bidder.

20686. Whenever, in the opinion of the board, the public interest or convenience may require, it may order to be done in, under, or upon the whole or any portion of any one or more of the streets or public places of the district, or any property or rights-of-way owned by the district, any work or improvement which the district is authorized to do and provide that the cost thereof shall be assessed upon the lots and lands fronting on the streets or public places, or upon any district to be assessed therefor, which district need not be composed of lands contiguous to each other. The Improvement Act of 1911, the Municipal Improvement Act of 1913, and the Improvement Bond Act of 1915 are applicable to districts.

SEC. 87. Article 44 (commencing with Section 20690) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

## Article 44.

20690. The provisions of this article shall apply to contracts by county harbor commissions as provided for in Division 7 (commencing with Section 4000) of the Harbors and Navigation Code.

20691. Whenever funds necessary for any improvement, development, or protection for which bonds have been voted, are in the county treasury, the commission shall carry into effect the improvement, development, or protection of the harbor. The board of supervisors may sell only such portion of the authorized bonds as will provide funds as they are needed to carry on the work.

20692. The improvement, development, or protection of any harbor, and all work, labor, or service employed therein, shall be under the control and management of the commission.

20693. The commission may do all the work of improvement, development, or protection under one contract, or it may segregate it into separate parts or divisions, and let contracts for any one or more separate parts or divisions.

20694. Each contract for doing any part of the work shall be let after advertisement for bids by publishing notice for at least 10 days in one or more daily newspapers published in the county. If there is no daily paper published in the county, notice shall be given by three publications in a weekly paper published therein.

20695. Each contract shall be let to the lowest responsible bidder, who shall give such security as the commission requires for the full and faithful performance of the contract. The amount and kind of security required shall be stated in the advertisement for bids.

The board may authorize the commission to make contracts without advertising for bids for any part of the work, the cost of which does not exceed five hundred dollars (\$500).

The commission may reject any and all bids, and readvertise for bids for doing the whole or any part of the work, or the commission may, with the approval of the board, purchase material, hire or purchase machinery, apparatus or appliances and employ labor and do the work or any part thereof without readvertising for bids.

20696. All improvement, development or protection of any harbor done under this article shall be of a substantial and permanent character.

20697. Any county may improve, develop, protect, and maintain one or more or all of the harbors within its boundaries, upon the conditions, in accordance with the procedure, and in the manner in this article provided.

20698. The work of improving, developing or protecting the harbor or harbors, whether the moneys therefor be the proceeds of the sale of bonds of the county or of a tax levy or levies, shall be done under the control and management of the harbor commission pursuant to applicable provisions of law, including the provisions of the preceding articles of this chapter, which latter provisions are



incorporated herein to the extent that they are not inconsistent herewith.

SEC. 88. Article 45 (commencing with Section 20710) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 45.

20710. The provisions of this article shall apply to contracts by harbor improvement districts as provided for in Part 2 (commencing with Section 5800) of Division 8 of the Harbors and Navigation Code.

20711. Any portion of a county in this state, the exterior boundaries of which include a bay, harbor, inlet or navigable water of the Pacific Ocean, may be formed into a district for the improvement or development of a harbor.

The work may include the dredging of channels, shipways, ship berths, anchorage places and turning basins, the construction of jetties, breakwaters, bulkheads, seawalls, wharves, ferry slips, and warehouses.

20712. The board may borrow money and incur indebtedness and issue bonds or other evidence of such indebtedness in the manner and to the extent deemed necessary by the board for further improvement and development of the harbor. The board may also do any other acts, and exercise any other powers, which may be necessary or convenient for the full exercise of the powers specifically granted by this part.

20713. When any improvement or development work done under the authority of the board is completed, the maintenance, management and control of the work done and of the harbor as so improved, shall pass to and be vested in the board. The board may employ and pay all necessary agents, servants and employees to manage, maintain, and control the harbor.

20714. If any portion of the harbor is situated within the boundaries of any incorporated city, the board of supervisors may enter into arrangements or contracts with the governing body of that city, upon such terms as may be agreed upon, for the purchase and maintenance of fireboats, patrol boats, sanitary and other equipment which the board deems necessary for the proper protection of the harbor.

20715. Any harbor improvement district organized and existing pursuant to Part 2 (commencing with Section 5800) of Division 8 of the Harbors and Navigation Code may improve, develop, protect and maintain any or all harbors within its boundaries in accordance with the procedure and in the manner hereinafter provided in this article, except that nothing in this article shall affect state-owned tidelands and submerged lands or the jurisdiction of the State Lands Commission over tidelands and submerged lands.

20716. The board of supervisors of any harbor improvement district organized and existing pursuant to Part 2 (commencing with Section 5800) of Division 8 of the Harbors and Navigation Code may

authorize the district to acquire, develop, operate, and maintain inland parks and recreation areas pursuant to this chapter.

SEC. 89. Article 46 (commencing with Section 20720) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 46.

20720. The provisions of this article shall apply to contracts by harbor districts as provided for in Part 3 (commencing with Section 6000) of Division 8 of the Harbors and Navigation Code.

20721. Notwithstanding the provisions of Section 6012 of the Harbors and Navigation Code, it may acquire, construct, own, operate, control, or develop any and all harbor works or facilities within the limits of its established boundaries. No interest in lands may be acquired, either by lease, purchase, or the exercise of the power of eminent domain within any port district, chartered port, harbor improvement district, incorporated city, or recreational harbor district without the prior consent to such acquisition by resolution of the governing body of each district, port, or city in which the lands are located.

20722. It may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate grain elevators, bunkering facilities, belt or other railroads, floating plants, lighterage, towage facilities, and any and all other facilities, aids, equipment, or property necessary for or incident to the development and operation of a harbor or for the accommodation and promotion of commerce, navigation or fishery in the harbor district.

20723. All work authorized to be done under this article, exceeding in cost the sum of five thousand dollars (\$5,000) shall be awarded upon competitive bidding, except that work consisting solely of new construction is required to be awarded upon competitive bidding only if it exceeds in cost the sum of ten thousand dollars (\$10,000). Notice of the proposed letting of such a contract shall be given by advertisement for a period of two weeks or published pursuant to Section 6066 of the Government Code, in a newspaper of general circulation, published, printed, and circulated, in the district. The board may authorize additional publication in other newspapers of general circulation in the district when it deems that such publication would best serve the public interest. The contract shall be awarded to the lowest responsible bidder.

The board may, without advertising for bids, negotiate with the government of the United States for the purpose of assisting the board in the performance of any of the work authorized by this article, and the board may contribute to the United States all or any portion of the estimated cost of any work authorized by this part which is to be done by or under contract with the United States.

SEC. 90. Article 47 (commencing with Section 20730) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

## Article 47.

20730. The provisions of this article shall apply to contracts by small craft harbor districts as provided for in the Small Craft Harbor District Law pursuant to Part 7 (commencing with Section 7000) of Division 8 of the Harbors and Navigation Code.

20731. The district may acquire, construct, reconstruct, improve, repair, develop, maintain and operate a harbor and all facilities appurtenant thereto, connected therewith or incidental thereto, including, without limiting the generality of the foregoing, the following:

(a) The dredging of channels, shipways, berths, anchorage places and turning basins.

(b) The acquisition, reconstruction, repair and maintenance of jetties, breakwaters, bulkheads, seawalls, wharves, docks, ways, ferry slips, warehouses, streets, roads, drives, parkways, avenues, approaches, marinas, aquatic playgrounds, beach parks, bathing beaches and other recreation facilities, together with structures and facilities incidental thereto.

(c) The acquisition, construction, reconstruction, repair, maintenance, operation, development and regulation of fueling, loading and unloading, towing, repair, warehousing, shipping and reshipping, and other facilities, aids, equipment or property necessary for or incidental to the development and operation of the harbor.

(d) The acquisition, construction, reconstruction, repair, maintenance and operation of fireboats, sanitary, and other facilities necessary for the proper protection of the harbor.

20732. The district may construct any works along, under, or across any street, road, or watercourse upon payment of compensation therefor, if any be payable, in a manner that will afford security for life and property.

20733. The district may use any lands acquired or owned by the district for street or highway purposes. If it is necessary or expedient to convey any of the lands owned by the district for street or highway purposes, the board, by resolution, may authorize the president and secretary to execute the deed to the political subdivision entitled thereto and deliver it to the proper authority representing the grantee.

20734. The district may sell and issue franchises relating to the harbor and its works, appurtenances, properties, and rights in accordance with such procedure as may be prescribed by ordinance.

20735. The district may advertise its advantages and solicit business within or without the district, within other states or any foreign countries through such employees or agents as are expedient.

20736. All construction authorized to be done under this article exceeding in cost the sum of two thousand five hundred dollars (\$2,500) shall be awarded upon competitive bidding. Notice of the proposed letting of such a contract shall be published as provided in

Section 6066 of the Government Code in a newspaper of general circulation in the district or, if there is none, of general circulation in the county, the first publication to be at least two weeks prior to the opening of bids. The notice inviting bids shall set a date for the opening of bids. The contract shall be awarded to the lowest responsible bidder. In its discretion, the board may reject any bids presented and readvertise. If two or more bids are the same and the lowest, the board may accept the one it chooses. If no bids are received, the board may have the work done directly by purchasing the materials and hiring the labor.

If all bids are rejected, the board may adopt a resolution, by four-fifths vote, declaring that the work can be performed more economically by hiring day labor, or that the materials or supplies can be furnished at a lower price in the open market, and may have the work done in the manner stated in the resolution in order to take advantage of this lower cost.

If there is a present or anticipated great public calamity, such as an extraordinary fire, flood, storm, enemy attack, or other disaster, the board may by four-fifths vote adopt a resolution declaring that the public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property and expend any sum required in the emergency without submitting the expenditure to the bidding procedure set forth.

The board may negotiate with the government of the United States or any department or agency thereof, the state or any department or agency thereof, any county, city and county, city, district or other public corporation for the purpose of assisting the district in the performance of any of the work authorized by this article and, without advertising for bids, may cause the district to contribute to the United States or any of the foregoing public bodies all or any portion of the estimated cost of any work authorized by this article which is to be done by or under contract with the United States or any of the foregoing public bodies.

SEC. 91. Article 48 (commencing with Section 20750) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 48.

20750. The provisions of this article shall apply to contracts by port districts as provided in Part 4 (commencing with Section 6200) of Division 8 of the Harbors and Navigation Code.

20751. Contracts for the doing of new construction work or the purchasing of supplies, the cost of which exceeds ten thousand dollars (\$10,000), or projects involving maintenance of buildings and improvements, the cost of which exceeds five thousand dollars (\$5,000), shall be let by the board upon competitive bidding.

Notice of the proposed letting of contract shall be given by publication pursuant to Section 6061 of the Government Code in the county in which the district is located, at least five days before the

time fixed for opening bids. Bidding shall be by sealed proposals filed with the district, upon forms furnished by it, and under such rules and regulations as the board may prescribe. All bids shall be publicly opened and declared under procedures established by the board, and the award of the contract shall be made in open session of the board to the lowest and best responsible bidder.

20752. The district may itself, without letting contracts therefor, do work and make improvements. The work shall be done under the direction of its officers or employees.

20753. The board may delegate to its officers the execution of contracts in which the amount involved is less than ten thousand dollars (\$10,000).

20754. It may acquire, purchase, takeover, construct, maintain, operate, develop and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids or public personnel, incident to or necessary for the operation and development of a port, ports, waterways, and the district.

20755. It may do any work or make any improvement within or without the territorial limits of the district, which will aid in the development or the improvement of navigation or commerce to or within the district.

20756. It may enact necessary police regulations providing for control of any waterway project of the United States, entering the district, and prescribe rules and regulations concerning the construction of wharves, docks, buildings and improvements of all types, contemplated thereon.

20757. It may provide for the opening and laying out of streets leading to the waterfront.

20758. It may regulate and control the construction, maintenance and operation or use of all wharves, warehouses, structures, improvements or appliances used in connection with or for the accommodation and promotion of transportation or navigation on any improvement project of the federal government applying to the main waterway entering the district and on other navigable streams improved or unimproved which lie within the district, and it may make and enforce necessary police and sanitary regulations in connection therewith.

SEC. 92. Article 49 (commencing with Section 20760) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 49.

20760. The provisions of this article shall apply to contracts by river port districts as provided for in Part 6 (commencing with Section 6800) of Division 8 of the Harbors and Navigation Code.

20761. Contracts for the doing of new construction work or the purchasing of supplies, the cost of which exceeds ten thousand dollars (\$10,000), or projects involving maintenance of buildings and

improvements, the cost of which exceeds five thousand dollars (\$5,000), shall be let by the board upon competitive bidding.

Notice of the proposed letting of a contract shall be given by publication pursuant to Section 6061 of the Government Code in the county in which the district is located, at least five days before the time fixed for opening bids. Bidding shall be by sealed proposals filed with the district upon forms furnished by it, and under such rules and regulations as the board may prescribe. All bids shall be publicly opened and declared under procedures established by the board, and the award of the contracts shall be made in open session of the board to the lowest and best responsible bidder. The board may reject any and all bids and readvertise in its discretion.

20762. In case of an emergency such as a fire, flood, storm, or other disaster, the board may, by resolution passed by the vote of four-fifths of all members, declaring that the public interest and necessity demand the immediate expenditure of district money to safeguard life, health, or property expend such sums as may be necessary in the emergency.

20763. The district, may itself, without letting contracts therefor, do such work and make such improvements as are necessary. The work shall be done under the supervision and direction of its officers or employees.

20764. The board may delegate to its officers the execution of contracts, in which the amount involved is less than ten thousand dollars (\$10,000).

20765. It may acquire, purchase, takeover, construct, maintain, operate, develop and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, cold storage facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids or public personnel, incident to or necessary for the operation and development of a port, ports, waterways and the district.

20766. It may do any work or make any improvement within or without the territorial limits of the district, if the doing of the work or the making of the improvement will aid in the development or the improvement of navigation or commerce to or within the district.

20767. It may enact necessary police regulations, providing for control of any waterway project of the United States, entering the district, and it may prescribe rules and regulations concerning the construction of wharves, docks, buildings and improvements of all types.

20768. It may provide for the opening and laying out of streets leading to the waterfront.

20769. It may regulate and control the construction, maintenance and operation or use of all wharves, warehouses, structures, improvements or appliances used in connection with or for the accommodation and promotion of transportation or navigation on any improvement project of the federal government applying to the main waterway entering the district and also on such other navigable

streams improved or unimproved which lie within the district, and make and enforce necessary police and sanitary regulations in connection therewith.

SEC. 93. Article 50 (commencing with Section 20780) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 50.

20780. The provisions of this article shall apply to contracts by sanitation districts as provided for in the County Sanitation District Act pursuant to Division 5 (commencing with Section 4700) of the Health and Safety Code.

20781. A district may acquire, construct and complete within or without the district, sewage collection, treatment and disposal works, including sewage treatment plants, outfalls, intercepting, collecting and lateral sewers, pipes, pumps, machinery, easements, rights-of-way, and other works, property or structures necessary or convenient for sewage collection, treatment and disposal. No such sewerage system shall be constructed, maintained, or operated in any city not in the district except by consent granted by an affirmative vote by a majority of the full membership of the governing body of the city; provided, however, that the district may construct, operate and maintain intercepting, trunk and outfall sewerlines, other than ocean outfall lines and other terminal outfall lines, together with pumps and like machinery necessary for sewage transportation, in a city pursuant to Section 4759.1 of the Health and Safety Code. For the purposes of this section the term "terminal outfall lines" means any outfall sewerlines that discharge within the city any effluent from a sewer treatment plant or any sewage.

It may also acquire lands and acquire and construct refuse transfer or disposal facilities, or both, within or without the district, and it may maintain and operate within the district boundaries a system for transfer or disposal of refuse, or both; provided, however, that such system shall not include "refuse collection" which is defined as the house-to-house pickup of refuse or any part thereof.

A district shall not acquire land for, or establish and operate a refuse transfer or disposal facility within either a city or the unincorporated area of a county until the city council, if the facility is proposed to be located in the city, or the board of supervisors of the county, if it is proposed to be located in the unincorporated area of the county, has by resolution, consented to the use of the proposed site for that purpose.

If 90 percent or more of the total area of the district is unincorporated territory, and the land proposed to be acquired for a refuse transfer or disposal facility is located in the unincorporated territory of the county, the board of supervisors shall, before adopting any resolution consenting to the use of land for that purpose, hold a public hearing upon the question of the adoption of the resolution. Notice of such hearing shall be given by publication

in the area pursuant to Section 6066 of the Government Code, not more than 30 nor less than 10 days prior to the hearing. If at any time before the hearing, there is filed with the board of supervisors a written objection to the use of the proposed site for a refuse transfer or disposal facility, signed by 2 percent or more of the registered voters of the district, the board shall submit the matter of the proposed use to the voters of the district at an election. The proposition shall be submitted to the voters in the manner and under the procedure prescribed in Article 5 of Chapter 3 (commencing with Section 4780) of Part 3 of Division 5 of the Health and Safety Code for submission of the proposition of incurring a bonded indebtedness. If a majority of the votes cast in such an election are in favor of the proposed use, the board shall adopt the resolution consenting thereto, but if a majority of the votes cast are against the proposed use, the board shall dismiss the proceedings, and no resolution consenting to the use of any of such land shall be adopted by the board for at least one year from the date of the election.

20782. A district may make and perform any agreement with any public or private corporation of any kind or any person for the joint construction, acquisition, disposition, or operation of any property or works of a kind which might be constructed, acquired, disposed of, or operated by the district.

20783. When the expenditure required for the work exceeds five thousand dollars (\$5,000), it shall be contracted for and let to the lowest responsible bidder after notice. The notice inviting bids shall set a date for the opening of bids. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids. Notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in the district, or if there is none, it shall be posted in at least three public places in the district that have been designated by the district board as the places for posting such notice. The notice shall distinctly state the work to be done.

In its discretion, the district board may reject any bids presented and readvertise. If two or more bids are the same and the lowest, the district board may accept the one it chooses. If no bids are received, the district board may have the work done without further bid.

If all bids are rejected, the district board, on a resolution adopted by a four-fifths vote, may declare that the work can be performed more economically by day labor, or the materials or supplies furnished at a lower price in the open market and may have the work done in a manner stated in the resolution in order to take advantage of this lower cost.

If there is a present or anticipated great public calamity, such as an extraordinary fire, flood, storm, or other disaster the district board may, by resolution adopted by a four-fifths vote declaring that the public interest and necessity demand immediate expenditure of public money to safeguard life, health, or property, expend any sum required in the emergency without submitting such expenditure to



bid.

Cost records of the work shall be kept in the manner provided in Sections 4000 to 4007, inclusive, of the Government Code.

The provisions of this section shall not apply to sewerage maintenance, repair work, or to any uncompleted works under construction by district forces prior to the enactment of this section, and shall not be construed to exempt any work from the provisions of Part 7 (commencing at Section 1720) of Division 2 of the Labor Code.

SEC. 94. Article 51 (commencing with Section 20790) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 51.

20790. The provisions of this article shall apply to contracts by sewer maintenance districts as provided for in the Sewer Maintenance District Act pursuant to Chapter 4 (commencing with Section 4860) of Part 3 of Division 5 of the Health and Safety Code.

20791. "Maintenance of sewers" as used in this chapter includes the extension and enlargement of sewers, within a district.

20792. The board is the governing body of the district and may make and enforce all rules and regulations necessary for the administration and government of the district and for the cleaning, repair, reconstruction, renewal, replacement, operation, and maintenance of lateral and collecting sewers in it.

20793. The district may contract with the federal government of the United States or any branch thereof, or with any county, city and county, municipal corporation, district or other public corporation or with any person, firm or corporation, for the joint acquisition or construction or use of any sewer or sewers or other works or facilities for the handling, treatment, or disposal of sewage or industrial waste from the district and such other area as may be designated in said contract, when, in the judgment of the legislative body of said district, it is for the best interests of the district so to do. Any such contract may provide for the construction and maintenance of such sewer or sewers, or such other works or facilities, and for the payment by or for the parties thereto of such proportionate part of the cost of the acquisition, construction or maintenance of such sewer or sewers or other works or facilities as may be stated in said contract, the payments to be made at such times and in such amounts as may be provided by said contract. Any such contract may provide for the joint use of any sewer or sewers, works or facilities for the handling, treatment or disposal of sewage or industrial waste upon such terms and conditions as may be agreed upon by the parties thereto, and for the flowage, treatment or disposal of sewage or industrial waste from such area for each of the parties thereto as may be described in the contract.

Any district which has acquired or constructed or which proposes to acquire or construct, any sewer or sewers, or works or other

facilities for the handling, treatment or disposal of sewage or industrial waste, may contract with the federal government of the United States or any branch thereof, or with any county, city and county, municipal corporation, district or other public corporation or with any person, firm or corporation for the use of any such sewer or sewers, works or facilities by any such county, city and county, municipal corporation, district or other public corporation, or for the flowage, treatment or disposal of sewage or industrial waste from any area designated by such person, firm or corporation so contracting, upon such terms and conditions as may be provided in said contract.

SEC. 95. Article 52 (commencing with Section 20800) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 52.

20800. The provisions of this article shall apply to contracts by sanitary districts as provided in the Sanitary District Act of 1923 pursuant to Division 6 (commencing with Section 6400) of the Health and Safety Code.

20801. "District project," as used in this article, means any construction, reconstruction, alteration, enlargement, renewal, or replacement of sewer facilities which the district is authorized to do, including, but not limited to, the furnishing of supplies or materials for any such work.

20802. A district may acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate such garbage dump sites and garbage collection and disposal systems, sewers, drains, septic tanks, and sewerage collection, outfall, treatment works and other sanitary disposal systems, and storm water drains and storm water collection, outfall and disposal systems, and water reclamation and distribution systems, as in the judgment of the board shall be necessary and proper, and in the performance of these functions, either in or out of the district, it may join through joint powers agreements pursuant to the provisions of Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, or through other means with any county or municipality or any other district or governmental agency.

Before any garbage dump shall be established the location shall first be approved by the county health officer, and in addition, if the location is within two miles of any city the consent of the governing body of the city shall first be secured.

If the district includes any part of a city, water district, or other local agency which provides water service to any territory in the district, the district shall not supply water service to such territory unless the district first obtains the consent of such city, water district, or other local agency. Such consent shall not be revoked if revocation will result in a decrease of the revenues available to pay the outstanding bonds of the district.

20803. When the expenditure required for a district project

exceeds five thousand dollars (\$5,000), it shall be contracted for and let to the lowest responsible bidder after notice, subject to the provisions of Section 20805.

20804. The notice inviting bids shall set a date for the opening of bids. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids. Notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, circulated within the district, or if there is none, it shall be posted in at least three public places in the district that have been designated by resolution as the places for posting public notices. The notice shall distinctly state the project to be done.

20805. In its discretion, the district board may reject any bids presented and readvertise. If two or more bids are the same and the lowest, the district board may accept the one it chooses. If no bids are received the district board may have the project done without further complying with this article.

20806. If there is a great public calamity, as an extraordinary fire, flood, storm, epidemic, or other disaster, or if it is necessary to do emergency work to prepare for national or local defense, the district board may pass a resolution by a four-fifths vote of its members declaring that the public interest and necessity demand the immediate expenditure of district funds to safeguard life, health, or property. Upon adoption of the resolution, it may expend any sum required in the emergency without complying with this article.

SEC. 96. Article 53 (commencing with Section 20810) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 53.

20810. The provisions of this article shall apply to contracts by fire protection districts as provided for in the Fire Protection District Law pursuant to Division 12 (commencing with Section 13000) of the Health and Safety Code.

20811. The district board shall have and exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of this part, including, but not limited to, the power:

(a) To sue and be sued.

(b) To take or acquire real or personal property of every kind or any interest therein, within the district, by grant, purchase, gift, devise or lease, and to hold, manage, occupy, dispose of, convey and encumber the same and create a leasehold interest in same for the benefit of the district.

(c) To exercise the right of eminent domain. No action in eminent domain to acquire property or interests therein outside the boundaries of the county or counties in which the district is located shall be commenced unless the board of supervisors of each affected county has consented to such acquisition by resolution.

(d) To establish, equip and maintain a fire department, and to establish and enforce rules and regulations for the administration,

operation and maintenance thereof.

(e) To appoint and employ necessary employees, and to define their qualifications, duties and responsibilities, and to provide for a pay schedule and for payment in a reasonable sum for the performance of such duties.

(f) To employ counsel.

(g) To enter into and perform all necessary contracts, including, but not limited to, contracts for the supply and distribution of water where necessary for the purposes of fire protection, and for the furnishing of necessary services to or the receipt of such services from another district.

(h) To provide and maintain any and all special service functions necessary for the prevention of fire and for the protection of life and property from fire and panic, including the investigation of fire and prosecution of crimes of arson.

(i) To acquire and construct facilities within the district for the development, transmission, storage, and distribution of water where necessary or convenient for the purpose of providing fire protection.

20812. The district board may clear or order the clearing of land or remove or order the removal of dry grass, stubble, brush, rubbish, litter, or other flammable material, if, in its judgment, the flammable material endangers the public safety by creating a fire hazard. The provisions of Part 5 (commencing with Section 14875) of Division 12 of the Health and Safety Code, are made applicable to districts organized and existing pursuant to Division 12 (commencing with Section 13000) of the Health and Safety Code, including, but not limited to, the provisions with respect to the assessment of property owners for the expense of abatement, and the procedure set forth therein shall apply to dry grass, stubble, brush, rubbish, litter or other flammable material which endangers the public safety by creating a fire hazard. In the application of the provisions of Part 5 (commencing with Section 14875) of Division 12 of the Health and Safety Code to proceedings under this article, the terms "board of supervisors" or "board," when used in Part 5, shall mean the district board acting under this article; and the officers designated in Section 14890 of the Health and Safety Code shall mean the employees of the fire department designated by the district board.

20813. The district board may clear any or all townlots, homesites, villa lots, or lands immediately adjacent within the district of dry grass, weeds, stubble, brush, rubbish, litter, or other flammable material.

SEC. 97. Article 54 (commencing with Section 20820) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 54.

20820. The provisions of this article shall apply to contracts by public entities as provided for in the Community Facilities Law of 1911 pursuant to Chapter 1 (commencing with Section 4600) of Part

3 of Division 5 of the Health and Safety Code.

20821. Improvement means any or all of the following:

(a) The acquisition or construction of sanitary sewers of all types, including, but not limited to, outfall, trunk, intercepting, connecting, lateral, and house connection sewers.

(b) The acquisition or construction of sewage treatment plants, works, or system.

(c) The acquisition or construction of other improvements, works, or system for the collection, transmission, treatment, or disposal of sewage or industrial waste.

(d) The acquisition or construction of sewers, drains, pipelines, conduits, culverts, or ditches for the collection, transmission, or disposal of surface or storm water.

(e) The acquisition or construction of other improvements, works, or system for the purpose of surface or storm water drainage or for the purpose of flood control.

(f) The acquisition, construction or extension of waterworks, water systems or water distribution systems.

(g) The acquisition or construction of works or improvements appurtenant or related to any of the works, improvements, or systems described in subdivisions (a) to (f), inclusive, of this section.

(h) Additions to, or the reconstruction or improvement of, any of the works, improvements, or systems described in subdivisions (a) to (g), inclusive, of this section.

(i) The acquisition of any land, rights-of-way, capacity rights, rights of use, or other property needed for any of the works, improvements, or systems described in subdivisions (a) to (h), inclusive, of this section.

20822. In cities within a county of the 20th class, as defined in Section 28041 of the Government Code, improvement shall also mean the acquisition, construction, maintenance, and operation of any public buildings which would serve as a community center facility, including, but not limited to, an exhibition building, an auditorium, a stadium, and a sports arena; and the acquisition and improvement of any land, rights-of-way, rights of use, or other property needed for any of the improvements described in this section, or for offstreet parking facilities therefor.

For the purposes of this section, at the hearing held pursuant to Section 4611 of the Health and Safety Code, the governing body may exclude from the proposed district any territory the inhabitants of which would not be benefited by the proposed improvements as finally determined.

20823. Any contract for the construction of any improvement may be let and entered into as other contracts for similar work are let and entered into by the city. If the improvement includes the acquisition of any property, the city may acquire such property by purchase, gift, eminent domain, or otherwise.

20824. Instead of letting contracts for the improvement, the city may itself construct or complete the improvement, and buy the

necessary materials, and employ the necessary labor.

20825. The governing body of each city in which an improvement is being made or acquired pursuant to this chapter may make all needful rules and regulations for carrying out and maintaining the improvement, and may appoint all agents, superintendents, and engineers necessary properly to look after the construction and operation of the improvement. However, in any city operating under a charter framed pursuant to Sections 3 and 5 of Article XI of the Constitution of the state which has a board or department of public works, the powers and duties of the governing body which are stated in this section may be exercised and performed by the city board or department of public works.

20826. The city may contract with the federal government of the United States or any branch of it, or with any county, city and county, municipal corporation, district, or other public corporation, or with any person, firm, or corporation, for the joint acquisition or construction or use of any improvement to serve the district and such other area as may be designated in the contract, when, in the judgment of the governing body of the city, it is for the best interests of the district so to do. Any such contract may provide for the acquisition, construction, or maintenance of such improvement and for the payment by or for the parties to the contract of such proportionate part of the cost of such acquisition, construction, or maintenance as may be stated in the contract. The payments shall be made at such times and in such amounts as may be provided by said contract. Any such contract may provide for the joint use of any improvement upon such terms and conditions as may be agreed upon by the parties to the contract, and for the flowage, treatment, or disposal of sewage, industrial waste, surface water, or storm water from such area for each of the parties to the contract as may be described in the contract.

Any city which has acquired or constructed, or which proposes to acquire or construct, any improvement for the benefit of a district may contract with the federal government of the United States or any branch of it, or with any county, city and county, municipal corporation, district, or other public corporation, or with any person, firm, or corporation for the use of any such improvement by any such county, city and county, municipal corporation, district, or other public corporation, or for the flowage, treatment or disposal of sewage, industrial waste, surface water, or storm water from any area designated by such person, firm, or corporation so contracting, upon such terms and conditions as may be provided in the contract.

SEC. 98. Article 55 (commencing with Section 20830) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 55.

20830. The provisions of this article shall apply to contracts by highway lighting districts as provided for in the Highway Lighting

District Act pursuant to Part 4 (commencing with Section 19000) of Division 14 of the Streets and Highways Code.

20831. This part provides an alternative system for making the improvements authorized by this part, and the provisions of this part shall not apply to or affect any other provisions of this code. When any proceedings are commenced under this part, the provisions of this part and no others shall apply to all such proceedings.

20832. Within 10 days after the establishment of the district, the governing body shall advertise for bids for installing and maintaining the system and for servicing the same. The contract shall be awarded to the lowest responsible bidder. However, the rates to be paid shall not exceed the lawful rates applicable for the particular class of service and when necessary shall be those authorized by the Public Utilities Commission of the State of California. The contract for service shall be for a period not less than three years from and after the date electric energy and service is first delivered to the lighting district pursuant to such contract and shall be extended automatically thereafter for successive terms of one year each; provided, that the agreement may be terminated by either party upon not less than sixty (60) days' written notice prior to the expiration date of the original term or any extended term. The governing body shall reserve the right to abrogate the contract whenever service is offered to be supplied at two-thirds of the fixed contract price.

No advertising for bids or awarding of the contract based thereon shall be required when the proposed contract includes the furnishing of electric energy, and the entire area of the district is served, or will be so served, by a single public utility whose rates are subject to regulation by the Public Utilities Commission.

20833. Upon the receipt of a petition signed by owners of taxable property representing 60 percent or more of the total assessed valuation of all taxable property within an existing highway lighting district, or within a temporary zone requested to be established by the petition in the manner provided in Chapter 9.5 (commencing with Section 19165) of Part 4 of Division 14 of the Streets and Highways Code, the governing body of the district may replace an obsolete lighting system with a new modern county- or utility-owned lighting system where necessary for the proper operation of the district or of the portion thereof lying within such temporary zone.

20834. As an alternative to the petition procedure, the board of supervisors may, by a four-fifths vote, determine that the public safety and convenience require replacement of an obsolete system. The resolution may propose that a temporary zone be established, which zone will be benefited by the work, for the purpose of levying a special tax in the zone to finance the cost of the work.

The resolution shall contain that matter required by Section 20835. Notice and hearing of the resolution shall be substantially as required by Sections 19168 and 19169 of the Streets and Highways Code. If the board of supervisors determines at the hearing, by a four-fifths vote,

that it is just and equitable and in the public interest that the obsolete lighting be replaced and that the proposed temporary zone be formed, it shall fix and describe the boundaries of the proposed zone in such a manner as to exclude any territory which will not be benefited by inclusion in the zone; it shall declare the zone established; it shall designate the zone by a name or number; and it shall specify the duration and purposes of the zone, not to exceed 10 years from the beginning of the next ensuing fiscal year in which a special tax levy may be made in said zone.

Except as provided in this section, any zone formed under this section shall be subject to the provisions of Chapter 9.5 (commencing with Section 19165) of Part 4 of Division 14 of the Streets and Highways Code.

20835. A petition asking for the removal of obsolete lights and their replacement with modern county- or utility-owned lights pursuant to this chapter may request the board of supervisors to establish a temporary zone consisting solely of contiguous territory within the district which will be benefited by said replacement lights, for the purpose of levying a special tax therein to finance the cost of removal of the old lights and installation and temporary maintenance of the new lights. In such case the petition shall contain:

(a) A general description of the nature of the proposed replacement lights, together with a map showing the location thereof.

(b) An estimate of all costs or charges which will be incurred in connection with the removal of the old lights and the installation of the new lights, together with a statement as to the period of time, not to exceed three years, proposed for the payment of said costs or charges.

(c) An estimate of the average monthly cost of maintenance of the replacement lights.

(d) A description of the boundaries of the proposed temporary zone.

A proposal to form a temporary zone pursuant to this section shall be subject to the provisions of Chapter 3 of Title 6 of the Government Code to the same extent as a proposal to form a district.

SEC. 99. Article 56 (commencing with Section 20840) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 56.

20840. The provisions of this article shall apply to contracts by maintenance districts as provided for in the Improvement Act of 1911 pursuant to Division 7 (commencing with Section 5000) of the Streets and Highways Code.

20841. As used in this article, "maintenance district" means an assessment district which a county board of supervisors or the legislative body of a city has created pursuant to the provisions of Chapter 26 (commencing with Section 5821) of Part 3 of Division 7



of the Streets and Highways Code.

The provisions of that chapter, except Sections 5850 to 5853, inclusive, of the Streets and Highways Code shall be applicable to the creation of maintenance districts by, and maintenance districts created by, the legislative body of a city. For such purpose, the references in the provisions of that chapter or this article to a county or a county officer shall be deemed to refer, respectively, to a city or a city officer performing the same duties.

20842. All contracts shall be let to the lowest responsible bidder. The board shall advertise for two or more days in a newspaper of general circulation published in the county, inviting bids for furnishing labor, material or supplies before any contract is made therefor. The board may require such bonds as it may deem adequate from the successful bidder to secure the faithful performance of the contract and the payment of all claims for labor and materials, and may reject any and all bids. In an emergency, work found by a four-fifths vote of the board to be necessary to protect life or property from impending flood damage may be done by negotiated contract without advertising for bids therefor.

20843. A contract for installing, maintaining and servicing a system of lights in any maintenance district shall be awarded to the lowest responsible bidder. However, the rates to be paid shall not exceed the lawful rates applicable for the particular class of service and when necessary shall be those authorized by the Public Utilities Commission of the State of California. The contract for service shall be for a period not less than three years from and after the date electric energy and service is first delivered to the maintenance district pursuant to such contract and shall be extended automatically thereafter for successive terms of one year each; provided, that the agreement may be terminated by either party upon not less than 60 days' written notice prior to the expiration date of the original term or any extended term. The board of supervisors shall reserve the right to abrogate the contract whenever service is offered to be supplied at two-thirds of the fixed contract price.

20844. Nothing in this article shall be construed as prohibiting the county itself from maintaining and operating any or all of the improvements when ordered by the board of supervisors and from purchasing the materials and supplies and employing the labor necessary for such purpose.

20845. "Sewers" as used in this article includes lateral and collecting sewers, septic tanks and all other means of handling, gathering and disposing of sewage in the district.

20846. "Maintenance of sewers" as used in this article includes the extension and enlargement of sewers, within the district, and the acquisition or construction of other works or improvements useful in the proper operation of those sewers.

20847. "Maintenance" as used in this article in relation to lighting systems, includes the replacement of any obsolete equipment with new modern equipment found by the board of supervisors or

legislative body of a city to be necessary for the proper operation of the district. The replacement of any such obsolete equipment with any such new modern equipment, except for work done by a utility district or a private utility company under contract with the maintenance district, shall be subject to the provisions of Section 20842.

SEC. 100. Article 57 (commencing with Section 20850) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 57.

20850. The provisions of this article shall apply to contracts by public entities as provided for in the Improvement Act of 1911 pursuant to Division 7 (commencing with Section 5000) of the Streets and Highways Code.

20851. Whenever any railroad track or tracks of any description exist upon any streets upon which the legislative body has ordered an improvement to be made, and has excepted the roadbed therefrom, the order, unless the legislative body shall by resolution theretofore passed have declared to the contrary, shall constitute a requirement that the person having the railroad track or tracks thereon shall improve the roadbed with improvements similar in all respects to, and with the same materials, under the same specifications and superintendence, and to the like inspection and satisfaction as, those ordered to be performed by the order ordering the work.

20852. When the legislative body acquires jurisdiction to order the improvement to be made, the person having the track or tracks on the streets to be improved shall notify in writing the superintendent of streets if such person elects to enter upon the direct performance of such work at its own charge and expense. The notice shall be delivered to the superintendent of streets within 10 days after the first publication of the notice of award of contract. The omission or neglect to make such election shall constitute the superintendent of streets the agent of the owner of the track or tracks, with authority to enter into a contract in accordance with the provisions of this part for making the improvements. The superintendent of streets shall advertise for bids for the improvement of the roadbed. The legislative body shall award the contract for the making of the improvements to the lowest regular responsible bidder. The bidding and awarding of contracts shall be made in the manner provided in Part 3 (commencing with Section 5100) of Division 7 of the Streets and Highways Code for the awarding of contracts for improvements except that no notice of award shall be published.

20853. Immediately upon the award of the contract, the superintendent of streets shall enter into a contract with the person to whom the contract was awarded for making the improvements

upon the portions of the streets described in the notice inviting bids, and at the price stated in the bid. The contractor shall execute bonds in the manner required by Section 5254 of the Streets and Highways Code.

20854. Upon the completion of the work and its acceptance, the street superintendent shall make a certificate of completion, together with a statement of the amount due under the terms of the contract for the performance of the work. The certificate shall be countersigned by the mayor and shall be recorded in the office of the superintendent of streets. The contractor thereupon shall be entitled to payment of the full amount of the contract price, and the recording of such certificate shall be sufficient notice to the owner of such track or tracks that the contract price is due and payable.

20855. If the contract price is not paid within 30 days from the date of the recording of the certificate, the contractor may file a sworn statement to that effect with the superintendent of streets, who shall record the same in his or her office in the book in which the certificate of acceptance has been recorded. The contractor shall thereupon have a cause of action against the person owning the tracks for the amount of the contract, together with a reasonable attorney's fee, and shall also have as security for the recovery of such amount, a first lien upon that portion of the track and franchises of the railroad, between whose rails or tracks the work has been performed, which is contained within the corporate limits of the city.

20856. In the action, the certificate of completion shall be and constitute prima facie evidence of the regularity of all proceedings and of the right of the contractor to recover judgment against the person owning the tracks. Execution may be taken out upon the entry of judgment, and levied upon any property of that person which is subject to execution.

20857. If the person files a written election to enter upon the direct performance of the work at its own cost and expense, no further proceedings shall be taken in the matter unless such person neglects or fails for 30 days, or for such further time as the legislative body may grant, to make the improvement. If the improvement of the portions of the street required to be improved by such person is not made with diligence or in all respects similar to the improvement of the rest of the street, or with the same materials or under the same specifications, and to the satisfaction of the superintendent of streets, the legislative body may, by resolution entered in its minutes, prescribe such terms and conditions as to it may seem fit and proper before permitting the said person to continue with the work.

20858. If the person shall, after three days' notice of the adoption of the resolution, fail to comply with the terms and conditions so prescribed, the legislative body may declare that person to have forfeited its privilege of performing such work under its own direction. Whereupon the street superintendent shall advertise for bids for the performance of the work, or such portion thereof as may remain uncompleted, and the contract therefor shall be awarded and

entered into in the manner provided for in this article for the awarding and execution of contracts where the person owning the track has not elected to make the improvements under its own direction.

20859. Upon the completion of the improvement, the contractor to whom the contract has been awarded, or his or her assigns, shall be entitled to a certificate of completion from the street superintendent, and shall have the right to collect from the person by suit, the amount specified in the certificate in all respects the same as provided in this article where the contract is let for such work in the first instance.

20860. The legislative body may, by ordinance, prescribe and enforce such additional regulations and penalties as it may deem necessary to compel the improvement in accordance with the provisions of this article of any portion of any street which is occupied by a railroad track or tracks.

20861. Whenever any railroad track or tracks of any description exist upon any street which has been paved, macadamized, graveled, capped, or oiled either for the whole or any portion of the width of the roadway thereof along or near the line of such railroad track or tracks, and the roadbed thereof has not been improved similar in all respects to and with the same materials as such street along the line of such track or tracks; or where any portion of such roadbed, whether so improved or not is out of repair or is not on the official grade of such street or has small hummocks or ridges or loose rock upon or along such roadbed or the materials composing such roadbed next to the rails of such track or tracks are not flush with the top of such rails or the sides thereof, the legislative body may, by resolution, require and order the person having or owning such railroad track or tracks to improve the roadbed thereof by making repairs or by bringing the roadbed to the official grade or removing the hummocks or ridges or loose rock upon or along such roadbed or making the roadbed and the materials thereof flush with the top or sides of the rails of such track or tracks.

20862. The legislative body may require and order any or all of the work designated in the resolution to be done in the manner therein designated.

20863. The legislative body may also require, by resolution, any such person to pave alongside of and contiguous to its rails with special type of brick or paving blocks or other material.

20864. The resolution to require and order the work shall be personally served upon the person having or owning such railroad track or tracks, or service thereof may be made upon any agent, representative or officer of such person. When served, the resolution shall constitute notice to that person of the intention to order the work designated in the resolution.

20865. The person served shall notify, in writing, the superintendent of streets of the city where such work is to be done if such person elects to enter upon the direct performance of such

work at his or her own charge or expense. The notice shall be delivered to the superintendent of streets within 10 days after the service of the resolution requiring the work.

20866. The omission or neglect to make such election by delivering the notice shall constitute the superintendent of streets the agent of the owner of the track or tracks with authority to enter into a contract made in accordance with this article for doing the work.

The superintendent of streets shall thereupon be vested with authority to and he or she shall advertise for bids for the work and fix in the notice the time for receiving bids which shall be not less than five days from the first publication thereof.

20867. The legislative body shall award the contract for doing the work to the lowest regular responsible bidder.

All bids offered shall be accompanied by a check or by a bond and shall be delivered, opened and award of contract made, all as provided by Chapter 9 (commencing with Section 5240) of Part 3 of Division 7 of the Streets and Highways Code, except that no notice of award shall be published.

Upon the award being made, the superintendent of streets shall enter into a contract with the person to whom the contract was awarded for doing the work described in the notice inviting bids, and at the price stated in the bid.

The contractor shall execute a bond in the manner required by Section 5254 of the Streets and Highways Code.

20868. Upon the completion of the work and its acceptance, the street superintendent shall make a certificate of completion, together with a statement of the amount due under the terms of the contract for the performance of the work. The certificate shall be countersigned by the mayor, and shall be recorded in the office of the superintendent of streets.

20869. When the certificate of completion has been recorded the contractor shall be entitled to payment for the full amount of the contract price, and the recording of the certificate shall be sufficient notice to the owner of such track or tracks that such amount is due and payable.

20870. If the contract price is not paid within 30 days from the date of the recording of the certificate of completion, the contractor may file a sworn statement to that effect with the superintendent of streets, who shall record the same in his or her office in the book in which the certificate of completion has been recorded. The contractor shall thereupon have a cause of action against the person owning the tracks for the amount of the contract, together with a reasonable attorney's fee, to be fixed by the court, and shall also have as security for the recovery of such amount, a first lien upon that portion of the track and franchises of that railroad which is contained within the corporate limits of the city.

20871. In the action, the certificate of completion shall be prima facie evidence of the regularity of all proceedings, and of the right

of the contractor to recover judgment against the person. Execution may be taken out upon the entry of judgment, and levied upon any property of that person which is subject to execution.

20872. If the person files a written election to enter upon the direct performance of such work at its own cost and expense, no further proceedings shall be taken in the matter unless such person neglects or fails for 30 days, or for such further time as the legislative body may, by resolution, grant, to make and complete the work.

20873. If the work is not done with diligence as in this article provided, the legislative body may, by resolution entered upon its minutes, prescribe such terms and conditions as it may see fit and proper before permitting the person to continue with the work. If the person shall, after three days' notice of the adoption of the resolution, fail to comply with the terms and conditions so prescribed, the legislative body may, at any time thereafter, declare the person to have forfeited its privilege of performing such work under its own direction. Whereupon the street superintendent shall advertise for bids for the performance of the work, or such portion thereof as may remain uncompleted, and the contract therefor shall be awarded and entered into in the manner provided for in this article for the awarding and execution of contracts where the person has not elected to make the improvements under its own direction.

20874. Upon the completion of the improvement, the contractor to whom the contract has been awarded, or his or her assigns, shall be entitled to a certificate of completion from the street superintendent, and shall have the right to collect from the person by suit the amount specified in the certificate in all respects the same as provided in this chapter where the contract is let for such work in the first instance.

20875. The legislative body may, by ordinance, prescribe and enforce such additional regulations and penalties as it may deem necessary to compel the doing of the work as provided in this article on any portion of any street occupied by any railroad track or tracks.

SEC. 101. Article 58 (commencing with Section 20880) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 58.

20880. The provisions of this article shall apply to contracts by public entities as provided for in the Improvement Act of 1911 pursuant to Division 7 (commencing with Section 5000) of the Streets and Highways Code.

20881. The Legislature finds that in many areas of the state landowners, cities, public agencies, and public utilities desire to convert existing overhead electric and communication facilities to underground locations by means of special assessment proceedings. The Legislature hereby declares that a public purpose will be served by providing a procedure to accomplish such conversion and that it

is in the public interest to provide for such conversion by proceedings taken pursuant to this article.

20882. As used in this article the following words and phrases (and any variants thereof) shall mean:

“Communication service” means the transmission of intelligence by electrical means, including, but not limited to, telephone, telegraph, messenger-call, clock, police, fire alarm and traffic control circuits, and circuits for the transmission of standard television or radio signals.

“Convert” or “conversion” means the removal of all or any part of any existing overhead electric or communication facilities and the replacement thereof with underground electric or communication facilities constructed at the same or different locations.

“Electric service” means the distribution of electricity for heat, light or power.

“Electric or communication facilities” means any works or improvements used or useful in providing electric or communication service, including, but not limited to, poles, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, crossarms, braces, transformers, insulators, cutouts, switches, capacitors, meters, communication circuits, appliances, attachments and appurtenances, other than those owned or used by, or provided for, any railroad or pipeline, and located upon or above the right-of-way of such railroad or pipeline. “Electric facilities” shall not include any facilities used or intended to be used for the transmission of electric energy at nominal voltages in excess of 35,000 volts.

“Overhead electric or communication facilities” means electric or communication facilities located, in whole or in part, above the surface of the ground.

“Underground electric or communication facilities” means electric or communication facilities located, in whole or in part, beneath the surface of the ground.

“Public agency” means any city, county, special district or public corporation (other than the one conducting the proceedings) that provides electric or communication service to the public by means of electric or communication facilities.

“Public utility” means any person or corporation that provides electric or communication service to the public by means of electric or communication facilities.

20883. In a proceeding for a conversion the city and any public utility or public agency supplying electric or communication service within the city may by agreement provide that, upon confirmation of the assessment, the public utility or public agency shall have legal title to the electric or communication facilities, which shall thereafter constitute part of a system of the public utility or public agency and be used, operated, maintained and managed by it as part of such system.

Subject to any rules, regulations or tariffs applicable to any such

public utility or public agency, such agreement may also provide, among other things, for any of the following: the supplying or approval by the public utility or public agency of plans and specifications; a contribution of labor, materials or money by the public utility or public agency; the performance by the public utility or public agency of all or any part of the work or improvement; payment to the public utility or public agency for any work or improvement performed or service rendered by it.

Any such agreement shall be made prior to the adoption of the resolution ordering the work. If the proceedings are abandoned, the agreement shall be given no further force or effect. To the extent that the agreement provides that all or any part of the work or improvement is to be performed by the public utility or public agency, the provisions of this article requiring competitive bidding and the award of the contract to the lowest responsible bidder shall be inapplicable.

Nothing contained in this article shall preclude the city or the public utility, in the event of disagreement regarding any provision of the proposed agreement, from seeking review of such disagreement by the California Public Utilities Commission.

20884. If the work or improvement consists solely of a conversion, and such work or improvement is performed by a public utility or public agency, the resolution of intention shall provide that (a) the warrant, assessment and diagram or (b) any bonds issued or to be issued to represent unpaid assessments, or both (a) and (b), shall be sold as the legislative body directs. The purchaser, and any successors, shall thereupon have the same rights and liens as the contractor to collect and enforce the assessments and all bonds issued to represent unpaid assessments. If the work and improvement consists, in part, of a conversion and, in part, of other types of work or improvement under this division, the legislative body may provide in the resolution of intention that the costs and expenses of conversion shall constitute part of the incidental expenses to be advanced to the city by the contractor and to be included in the assessment. Any payments made upon assessments, any proceeds from the sale of the warrant, assessment, and diagram or bonds, and any incidental expenses so advanced to the city may be used by the city for the purpose of making payments to a public utility or public agency pursuant to an agreement made under Section 20883.

20885. If the city furnishes electric or communication service by means of electric or communication facilities owned or operated by the city, the legislative body in the resolution ordering work may provide that the work or improvement of conversion shall be performed for the price or prices specified in the resolution by the city or any department, agency, commission or officer of the city having the duty of furnishing such service. To that extent, the provisions of this division requiring competitive bidding and the award of the contract to the lowest responsible bidder shall be inapplicable.



20886. Nothing in this chapter shall be deemed to relieve any city or public agency, if the work or improvement is to be performed by the city or public agency, from any competitive bidding requirements imposed, as to work performed by the city or public agency, by any charter or statutory provision applicable to it.

SEC. 102. Article 59 (commencing with Section 20890) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 59.

20890. The provisions of this article shall apply to contracts by public entities as provided for in the Tree Planting Act of 1931 pursuant to Part 1 (commencing with Section 22000) of Division 15 of the Streets and Highways Code.

20891. "Improvement" includes the planting, maintenance, or removal of trees, and any and all acts necessarily incident thereto.

20892. The city forester, under the direction of the board, shall do or cause to be done, all of the work ordered to be done by the city council under this article.

20893. The board may direct the city forester to let contracts for all or any part of any improvement ordered by the city council. The city forester shall let the said contracts to the lowest responsible bidder, after notice by publication in two successive issues of any daily, or in one issue of any weekly, newspaper published and circulated in the city, or if there is no such newspaper, by posting for five days at three public places in the city. The work so contracted for shall be done under the supervision of the city forester.

20894. If the contractor abandons the work, or fails to proceed with it as rapidly as required by the contract, the city forester may relet the work in the same manner as in the first letting, or complete or cause it to be completed in any other manner he deems advisable. The city forester may retain the amount of any expense incidental to the reletting, out of any funds due or to become due to the contractor, and may also hold the contract or and the sureties upon the contractor's bond responsible for any additional expenses and for any damages resulting from the abandonment or failure to complete the contract.

20895. The legislative body, by contract or otherwise, shall provide for the performance of all work ordered by it pursuant to this article, including the construction and installation of any improvements and the furnishing of maintenance or service for any improvements.

20896. All or any part of the improvements may be constructed, installed, or owned and all or any part of the maintenance and servicing of any of the improvements may be provided by one or any combination of any of the following:

- (a) The local agency conducting proceedings.
- (b) Any other public agency.

(c) Any public utility.

20897. The local agency, by contract made with another public agency or with a public utility, may provide for the construction, installation, or ownership of any improvements or for the furnishing of maintenance or service for any improvements. Any contract with another public agency shall be made in compliance with all laws applicable to the other public agency and to the local agency. Any contract with a public utility shall be made in compliance with and subject to all tariffs, rules, and rate schedules of the public utility on file with and approved by the Public Utilities Commission. Except as otherwise provided in this section, a contract may contain such provisions as may be agreed upon by the local agency and the other public agency or the public utility, as the case may be.

20898. Except for any work provided for by contract made pursuant to Section 20897, the legislative body shall provide for the construction or installation of all improvements and for the furnishing of maintenance and service for any improvements in accordance with and subject to all laws applicable to the local agency, including any laws requiring the letting of contracts after competitive bidding.

20899. The legislative body may (a) provide for the construction or installation of any improvements authorized by Part 1 (commencing with Section 22000) of Division 15 of the Streets and Highways Code by proceedings taken pursuant to any other special assessment law or, in the case of a charter city, any procedural ordinance of the city and, (b) provide for the maintenance or servicing of those improvements by proceedings taken pursuant to this article. The proceedings may be taken separately or combined. If combined, any of the several resolutions, reports, notices or other instruments provided for in this article may be combined with those provided for in the other special assessment law or procedural ordinance.

SEC. 103. Article 60 (commencing with Section 20910) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 60.

20910. The provisions of this article shall apply to contracts by bridge and highway districts as provided for in the Bridge and Highway District Act pursuant to Part 3 (commencing with Section 27000) of Division 15 of the Streets and Highways Code.

20911. The district may acquire, or contract to acquire, and may construct under contract, or by its own employees, maintain, improve and operate bridges, abutments, rights-of-way, roads, tunnels, railroads, streetcar lines, interurban lines, telephone and telegraph lines, footpaths, viaducts, tollgates, tollhouses, subways, and all other forms of property necessary or proper for the successful prosecution of the project for which the district was organized, or

which may be authorized by the board of directors of the district under its powers, including all machinery or other property useful or necessary to construct, maintain, operate or otherwise make use of toll bridges and highways, and complete, add to, repair or otherwise improve any of such property acquired by it.

20912. The district may make contracts, employ labor, and all kinds of employees, whether skilled or unskilled, for the purpose of carrying on the business of the district.

20913. The work of constructing, repairing, relocating, or otherwise providing any of the highways or approaches composed of the structures or improvements mentioned in Part 3 (commencing with Section 27000) of Division 15 of the Streets and Highways Code or this article, may be done by any district in cooperation with a city, county, joint highway district, or other district formed for the improvement or building of roads, or in cooperation with the state.

For the purpose of doing such work or acquiring rights-of-way therefor, the board may authorize a contract to be entered into between the district and the political subdivision or agency of the state with which it proposes to cooperate, and full power and authority is granted to such city, county, joint highway or other district, or the Department of Transportation, to enter into such contracts for cooperative work, construction, or purchase of rights-of-way, in such manner and upon such apportionment of the cost thereof as may be agreed upon between them. For this purpose, the contracting parties may designate engineers, county surveyors, or other necessary officials or employees to take charge of the particular work, and provide for the payment of the cost of the work out of funds contributed by the contracting parties. The plans and specifications for such work shall be approved by both of the contracting parties, and the work may be carried out by either one of the contracting parties as the agent of the other, or it may be carried out under the joint management of both of the contracting parties.

Any such project, or any project, undertaken by a district alone, or in cooperation with any of the agencies mentioned, may be accomplished by federal aid under such rules as may be prescribed by the federal agencies involved.

Any such work may extend across, through, or within any city, county, joint highway district, or other district, if such work is an extension of an approach to a bridge operated by the district and connects the the bridge as a main or alternate route with state highways or other through routes leading to or from the bridge.

20914. The district shall advertise, pursuant to Section 6066 of the Government Code, for contracts for all vessel repair, maintenance, and alteration work whenever the estimated expenditure therefor is in excess of twenty thousand dollars (\$20,000), and for all other construction, repair, maintenance, and alteration work and all similar work, and for all insurance purchased by the district for any reason, except physical damage insurance, employee benefit

insurance, liability insurance, or worker's compensation insurance, whenever the estimated expenditure therefor is in excess of five thousand dollars (\$5,000), in (a) at least one newspaper and not more than three newspapers designated by the general manager, which are published in any one county or portion of a county within the district, and (b) by publication for two consecutive insertions in a trade paper of general circulation, published no more than one week apart either in the City of Los Angeles or the City and County of San Francisco, devoted primarily to the dissemination of contract news among contracting firms. The district shall publicly open the bids and award the contract to the lowest responsible bidder.

In case of emergency repairs necessitated by landslide, flood, storm or wind damage, accident, or other casualty, or any other condition which threatens imminent interruption of passenger transportation via district facilities, work may be contracted for a period of not to exceed 30 days after the occurrence or discovery of such emergency without advertising or competitive bidding.

20915. It shall be unlawful to employ any means to evade the provisions of this article requiring contracts to be awarded after advertising and competitive bidding, including the splitting of projects into smaller work orders, the amendment of existing contracts, or the approval of a subcontract or subcontracts let under existing contracts. Every person who willfully violates this section shall be guilty of a misdemeanor.

20916. All contracts in excess of twenty thousand dollars (\$20,000) entered into by the district for the hiring or purchase of equipment, supplies, or materials, are of no effect unless the district shall advertise pursuant to Section 6066 of the Government Code for bids for such contracts in at least one newspaper and not more than three newspapers designated by the general manager, which are published in any one county or portion of a county within the district, and unless the district shall award the contract to the lowest responsible bidder.

20917. If, after rejecting bids received under Section 20916, the board determines and declares by a two-thirds vote of all of its members that, in its opinion, the equipment, supplies, or materials may be purchased at a lower price in the open market, the board may proceed to purchase the equipment, supplies, or materials in the open market without further observance of the provisions requiring contracts, bids, or advertisement.

20918. In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, the board may, by resolution passed by a two-thirds vote of all of its members, declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids, or advertisement.

- SEC. 104. Section 16406 of the Public Utilities Code is repealed.
- SEC. 105. Section 16461 of the Public Utilities Code is repealed.
- SEC. 106. Section 16463 of the Public Utilities Code is repealed.
- SEC. 107. Section 16464 of the Public Utilities Code is repealed.
- SEC. 108. Section 16465 of the Public Utilities Code is repealed.
- SEC. 109. Section 16466 of the Public Utilities Code is repealed.
- SEC. 110. Section 16502 of the Public Utilities Code is repealed.
- SEC. 111. Section 16503 of the Public Utilities Code is repealed.
- SEC. 112. Section 16504 of the Public Utilities Code is repealed.
- SEC. 113. Section 16505 of the Public Utilities Code is repealed.
- SEC. 114. Section 16506 of the Public Utilities Code is repealed.
- SEC. 115. Section 16507 of the Public Utilities Code is repealed.
- SEC. 116. Section 16508 of the Public Utilities Code is repealed.
- SEC. 117. Section 16532 of the Public Utilities Code is repealed.
- SEC. 118. Section 16533 of the Public Utilities Code is repealed.
- SEC. 119. Section 16534 of the Public Utilities Code is repealed.
- SEC. 120. Section 16535 of the Public Utilities Code is repealed.
- SEC. 121. Section 16536 of the Public Utilities Code is repealed.
- SEC. 122. Section 16537 of the Public Utilities Code is repealed.
- SEC. 123. Section 16538 of the Public Utilities Code is repealed.
- SEC. 124. Section 16539 of the Public Utilities Code is repealed.
- SEC. 125. Section 16540 of the Public Utilities Code is repealed.
- SEC. 126. Section 16541 of the Public Utilities Code is repealed.
- SEC. 127. Section 16542 of the Public Utilities Code is repealed.
- SEC. 128. Section 16543 of the Public Utilities Code is repealed.
- SEC. 129. Section 16544 of the Public Utilities Code is repealed.
- SEC. 130. Section 5820 of the Streets and Highways Code is repealed.
- SEC. 131. Section 5834 of the Streets and Highways Code is repealed.
- SEC. 132. Section 5834.1 of the Streets and Highways Code is repealed.
- SEC. 133. Section 5835 of the Streets and Highways Code is repealed.
- SEC. 134. Section 5835.1 of the Streets and Highways Code is repealed.
- SEC. 135. Section 5835.2 of the Streets and Highways Code is repealed.
- SEC. 136. Section 5835.3 of the Streets and Highways Code is repealed.
- SEC. 137. Section 5896.1 of the Streets and Highways Code is repealed.
- SEC. 138. Section 5896.2 of the Streets and Highways Code is repealed.
- SEC. 139. Section 5896.9 of the Streets and Highways Code is repealed.
- SEC. 140. Section 5896.10 of the Streets and Highways Code is repealed.
- SEC. 141. Section 5896.11 of the Streets and Highways Code is

repealed.

SEC. 142. Section 5896.12 of the Streets and Highways Code is repealed.

SEC. 143. Section 6760 of the Streets and Highways Code is repealed.

SEC. 144. Section 6764 of the Streets and Highways Code is repealed.

SEC. 145. Section 6765 of the Streets and Highways Code is repealed.

SEC. 146. Section 6766 of the Streets and Highways Code is repealed.

SEC. 147. Section 6767 of the Streets and Highways Code is repealed.

SEC. 148. Section 6768 of the Streets and Highways Code is repealed.

SEC. 149. Section 6769 of the Streets and Highways Code is repealed.

SEC. 150. Section 6770 of the Streets and Highways Code is repealed.

SEC. 151. Section 6771 of the Streets and Highways Code is repealed.

SEC. 152. Section 6772 of the Streets and Highways Code is repealed.

SEC. 153. Section 6780 of the Streets and Highways Code is repealed.

SEC. 154. Section 6781 of the Streets and Highways Code is repealed.

SEC. 155. Section 6782 of the Streets and Highways Code is repealed.

SEC. 156. Section 6783 of the Streets and Highways Code is repealed.

SEC. 157. Section 6784 of the Streets and Highways Code is repealed.

SEC. 158. Section 6785 of the Streets and Highways Code is repealed.

SEC. 159. Section 6786 of the Streets and Highways Code is repealed.

SEC. 160. Section 6787 of the Streets and Highways Code is repealed.

SEC. 161. Section 6788 of the Streets and Highways Code is repealed.

SEC. 162. Section 6789 of the Streets and Highways Code is repealed.

SEC. 163. Section 6790 of the Streets and Highways Code is repealed.

SEC. 164. Section 6791 of the Streets and Highways Code is repealed.

SEC. 165. Section 6792 of the Streets and Highways Code is repealed.

SEC. 166. Section 6793 of the Streets and Highways Code is repealed.

SEC. 167. Section 6794 of the Streets and Highways Code is repealed.

SEC. 168. Section 19002 of the Streets and Highways Code is repealed.

SEC. 169. Section 19150 of the Streets and Highways Code is repealed.

SEC. 170. Section 19165 of the Streets and Highways Code is repealed.

SEC. 171. Section 19165.1 of the Streets and Highways Code is repealed.

SEC. 172. Section 19166 of the Streets and Highways Code is repealed.

SEC. 173. Section 22006 of the Streets and Highways Code is repealed.

SEC. 174. Section 22110 of the Streets and Highways Code is repealed.

SEC. 175. Section 22111 of the Streets and Highways Code is repealed.

SEC. 176. Section 22112 of the Streets and Highways Code is repealed.

SEC. 177. Section 22675 of the Streets and Highways Code is repealed.

SEC. 178. Section 22676 of the Streets and Highways Code is repealed.

SEC. 179. Section 22677 of the Streets and Highways Code is repealed.

SEC. 180. Section 22678 of the Streets and Highways Code is repealed.

SEC. 181. Section 22679 of the Streets and Highways Code is repealed.

SEC. 182. Section 27164 of the Streets and Highways Code is repealed.

SEC. 183. Section 27170 of the Streets and Highways Code is repealed.

SEC. 184. Section 27173 of the Streets and Highways Code is repealed.

SEC. 185. Section 27173.5 of the Streets and Highways Code is repealed.

SEC. 186. Section 27173.6 of the Streets and Highways Code is repealed.

SEC. 187. Section 27173.7 of the Streets and Highways Code is repealed.

SEC. 188. Section 27173.9 of the Streets and Highways Code is repealed.

SEC. 189. Section 27173.10 of the Streets and Highways Code is repealed.

## CHAPTER 257

An act to amend Section 7.9 of the Government Code, relating to the Director of Finance.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 7.9 of the Government Code is amended to read:

7.9. Notwithstanding any provision of law to the contrary, the Controller or the Treasurer, or the Director of Finance may designate any deputy of his or her office to act in his or her place and stead on any state board, commission, committee or governing board of a state agency with respect to the exercise of statutory powers and duties of any of those bodies. The deputy, while sitting on a board, commission, committee or governing board of a state agency may exercise the same powers that the Controller or the Treasurer or the Director of Finance may exercise as if he or she were personally present. The Controller or the Treasurer or the Director of Finance so designating a deputy shall be responsible for the acts of the deputy acting under the designation in the same manner and to the same extent that the Controller or the Treasurer or the Director of Finance is responsible for the acts of the deputy performing his or her official duties as deputy to the Controller or the Treasurer or the Director of Finance.

At the request of the Controller or the Treasurer, two employees of each officer, who hold permanent civil service status and have been designated deputies under this section, shall be classified and compensated as career executives at Category Level IV or Category Level V.

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CHAPTER 258

An act to amend Section 21113 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 14, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 21113 of the Vehicle Code is amended to read:

21113. (a) No person shall drive any vehicle or animal, nor shall any person stop, park, or leave standing any vehicle or animal,



whether attended or unattended, upon the driveways, paths, parking facilities, or the grounds of any public school, state university, state college, unit of the state park system, county park, municipal airport, rapid transit district, transit development board, or any property under the direct control of the legislative body of a municipality, or any state, county, or hospital district institution or building, or any educational institution exempted in whole or in part from taxation, or any harbor improvement district or harbor district formed pursuant to Part 2 (commencing with Section 5800) or Part 3 (commencing with Section 6000) of Division 8 of the Harbors and Navigation Code, or state grounds served by the California State Police, except with the permission of, and upon and subject to any condition or regulation which may be imposed by the legislative body of the municipality, or the governing board or officer of the public school, state university, state college, county park, municipal airport, rapid transit district, transit development board, or state, county, or hospital district institution or building, or educational institution, or harbor district, or the Director of Parks and Recreation regarding units of the state park system or the state agency with jurisdiction over the grounds served by the California State Police.

(b) Every governing board, legislative body, or officer shall erect or place appropriate signs giving notice of any special conditions or regulations that are imposed under this section and every board, legislative body, or officer shall also prepare and keep available at the principal administrative office of the board, legislative body, or officer, for examination by all interested persons, a written statement of all those special conditions and regulations adopted under this section.

(c) When any governing board, legislative body, or officer permits public traffic upon the driveways, paths, parking facilities, or grounds under their control then, except for those conditions imposed or regulations enacted by the governing board, legislative body, or officer applicable to the traffic, all the provisions of this code relating to traffic upon the highways shall be applicable to the traffic upon the driveways, paths, parking facilities, or grounds.

(d) With respect to the permitted use of vehicles or animals on property under the direct control of the legislative body of a municipality, no change in the use of vehicles or animals on such property, which had been permitted on January 1, 1976, shall be effective unless and until the legislative body, at a meeting open to the general public, determines that the use of vehicles or animals on such property should be prohibited or regulated.

(e) A transit development board may adopt ordinances, rules, or regulations to restrict, or specify the conditions for, the use of bicycles, motorized bicycles, skateboards, and roller skates on property under the control of, or any portion of property used by, the board.

(f) A public agency, including, but not limited to, the Board of Regents of the University of California and the Trustees of the

California State University, may adopt rules or regulations to restrict, or specify the conditions for, the use of bicycles, motorized bicycles, skateboards, and roller skates on public property under the jurisdiction of that agency.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 259

An act to amend Sections 1812.53 and 1812.54 of the Civil Code, relating to dance studios.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1812.53 of the Civil Code is amended to read:

1812.53. (a) No contract for dance studio lessons and other services shall require payment by the person receiving the lessons and other services or the use of the facilities of a total amount in excess of three thousand seven hundred fifty dollars (\$3,750).

(b) No contract for dance studio lessons and other services shall require payments or financing by the buyer over a period in excess of two years from the date the contract is entered into, nor shall the term of any such contract be measured by the life of the buyer. However, the lessons and other services to be rendered to the buyer under the contract may extend over a period not to exceed seven years from the date the contract is entered into.

(c) All contracts for dance studio lessons and other services which may be in effect between the same seller and the same buyer, the terms of which overlap for any period, shall be considered as one contract for the purposes of this title.

SEC. 2. Section 1812.54 of the Civil Code is amended to read:

1812.54. (a) Every contract for dance studio lessons and other services shall provide that performance of the agreed-upon lessons will begin within 12 months from the date the contract is entered into.

(b) Every contract for dance studio lessons and other services shall further provide:

(1) That such contract may be canceled within 180 days after the

date of receipt by the customer of a copy of the contract by written notice to the other party at the address specified in the contract, and all moneys paid pursuant to such contract shall be refunded within 10 days of receipt of the notice of cancellation, except that payment shall be made for any dance studio lessons and other services received prior to such cancellation.

(2) That such contract may be canceled after 180 days after the date of receipt by the customer of a copy of the contract by written notice to the other party at the address specified in the contract, and the student canceling such contract shall be thereafter entitled to a refund, within 10 days of receipt by the dance studio of notice of cancellation, of all moneys paid pursuant to the canceled contract with the exception that the dance studio shall be entitled to 10 percent of the unpaid balance pursuant to the terms of the canceled contract, and except further that, in addition to the foregoing, payment shall be made for any dance studio lessons and other services received prior to such cancellation.

(c) Every contract for dance studio lessons and other services shall contain a written statement of the hourly rate charged for each type of lessons for which the student has contracted. If the contract includes dance studio lessons which are sold at different per-hour rates, the contract shall contain separate hourly rates for each different type of lessons sold. All other services for which the student has contracted which are not capable of a per-hour charge shall be set forth in writing in specific terms. Such statement shall be contained in the dance studio contract before the contract is signed by the buyer.

(d) Every dance studio subject to the provisions of Sections 1812.64 to 1812.66, inclusive, shall include in every contract for dance studio lessons or other services a statement that the studio is bonded and that information concerning the bond may be obtained by writing to the office of the Secretary of State, 1230 J Street, Sacramento, California 95814. If the studio has elected to make a cash deposit in lieu of procuring a bond, the contract shall contain a description of the cash deposit.

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## CHAPTER 260

An act to amend Sections 52517 and 52527 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 52517 of the Health and Safety Code is amended to read:

52517. Notwithstanding any other provisions of this part, only mortgage loans are eligible for buy-down under the provisions of this part which are presently, or are expected to be, insured in whole or part by the Federal Housing Administration or guaranteed in whole or part by the United States Veterans Administration, the Farmers Home Administration of the United States Department of Agriculture, an agency of the state, by a private insuring entity authorized to engage in such business, or by any combination of the above, in percentages determined by the agency by regulation adopted by the policy committee, except that such insurance or guarantee need not be required, in the discretion of the policy committee, if the amount of the mortgage loan is less than 80 percent of the appraised value of the property (under standards applicable to that lender) which is the security for the loan.

SEC. 2. Section 52527 of the Health and Safety Code is amended to read:

52527. The First-Time Home Buyers Finance Committee is hereby created. The committee shall consist of the Governor, the Controller, the Treasurer, the Director of Finance, and the Chairperson of the Board of Directors of the California Housing Finance Agency. The Treasurer shall serve as chairperson of the committee. Such committee shall be the "committee," as that term is used in the State General Obligation Bond Law. The Board of Directors of the California Housing Finance Agency shall be the "board," as that term is used in the State General Obligation Bond Law.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The voters approved Proposition 5 in November, 1982, establishing a California First-Time Home Buyers Program, and that program is about to be implemented. It is necessary that amendments which clarify, technically adjust, and update the 1982 enactment be adopted to permit early implementation as contemplated by the voters.

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## CHAPTER 261

An act to amend Sections 61903 and 61996 of the Food and Agricultural Code, relating to milk.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 61903 of the Food and Agricultural Code is amended to read:

61903. Any person who has testified under oath at a public hearing held by the director pursuant to this chapter may be granted, upon request prior to the close of the hearing, a period of time not to exceed 10 calendar days following the closing date of the public hearing, in which to file with the director a written posthearing brief in amplification, explanation, or withdrawal of that person's testimony. Any such posthearing brief shall be made available by the director to any interested person for inspection. Except as herein provided, the director, in formulating any stabilization and marketing plan, pursuant to this chapter, following a public hearing, shall not accept or consider any posthearing brief. Nothing in this section shall require the director to prepare, or to make available, any verbatim transcript or other record or summary of the hearing within the 10-calendar-day period referred to in this section. However, any verbatim transcript or other record or summary of the hearing prepared for or by the director shall be made available to any interested party for inspection at the office of the director in Sacramento and, upon reasonable request, at the regional office of the director nearest the location at which the public hearing was held.

SEC. 2. Section 61996 of the Food and Agricultural Code is amended to read:

61996. If, after the public hearing, the director determines that the proposed plan will tend to accomplish the purposes of this chapter within the standards which are prescribed in it, he or she shall issue an order to all producers and handlers of record with the department and subject to the provisions of the plan, declaring the plan in effect within 62 days from the date of the hearing. The director shall announce any order under this section at least 10 calendar days prior to the effective date of the plan.

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## CHAPTER 262

An act to amend Sections 3306 and 3307 of the Civil Code, relating to real property.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3306 of the Civil Code is amended to read:

3306. The detriment caused by the breach of an agreement to convey an estate in real property, is deemed to be the price paid, and the expenses properly incurred in examining the title and preparing the necessary papers, the difference between the price agreed to be paid and the value of the estate agreed to be conveyed at the time of the breach, the expenses properly incurred in preparing to enter upon the land, consequential damages according to proof, and interest.

SEC. 2. Section 3307 of the Civil Code is amended to read:

3307. The detriment caused by the breach of an agreement to purchase an estate in real property is deemed to be the excess, if any, of the amount which would have been due to the seller under the contract over the value of the property to him or her, consequential damages according to proof, and interest.

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## CHAPTER 263

An act to amend Sections 14201, 14901, 14902, and 14952, and to add Section 14703 to, the Financial Code, relating to credit unions.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14201 of the Financial Code is amended to read:

14201. The commissioner may establish or waive such rules and regulations as may be reasonable or necessary to carry out the purposes and provisions of this division.

SEC. 2. Section 14703 is added to the Financial Code, to read:

14703. (a) A credit union may establish an allowance for loan losses account based upon the credit union's previous loss experience, or based upon its foreseeable loan losses. The allowance for loan losses account shall initially be established by charging the regular reserve account, and thereafter, any increases or decreases in the balance will be charged or credited to a loan loss expense account.

(b) At the close of an accounting period, an adjustment will be made in an amount equal to the balance in loan loss expense account. If the balance is a debit, regular reserves will be charged, and undivided profits will be credited, and, if the balance is a credit, undivided profits will be charged and regular reserves will be credited.

(c) For the purpose of calculating required transfers of income to

regular reserves pursuant to Section 14700, any balances in the allowance for loan losses account may be included with the balance in the regular reserve account.

SEC. 3. Section 14901 of the Financial Code is amended to read:

14901. (a) The rates of dividends and terms of payment may be established in advance by action of the board of directors.

(b) Notwithstanding subdivision (a), all dividend rates on any type of share account, whether or not specified or contracted for in advance, shall be accrued as an expense and credited to an allowance for anticipated dividends and reported as such on the credit union's monthly financial statement. However, nothing in this subdivision shall be construed to permit any credit union to pay a dividend except as provided in Section 14902.

SEC. 4. Section 14902 of the Financial Code is amended to read:

14902. The directors of any credit union may, for the dividend period, declare dividends from its undivided profits as provided by law, but no credit union shall credit or pay any dividends or pay loan interest refunds to its members until it has transferred to its regular reserve such part of its gross income as is required by Section 14700. However, nothing in this division shall be construed to permit the credit union to credit or pay a dividend from its undivided profits account when the credit or payment would result in a deficit in the undivided profits account.

SEC. 5. Section 14952 of the Financial Code is amended to read:

14952. No credit union shall make a loan to a member under 18 years of age that will result in the member being obligated to the credit union in excess of one thousand dollars (\$1,000) unless the member is an emancipated minor or the loan is secured in the manner provided for in Section 14955.

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## CHAPTER 264

An act to add Section 53066.4 to the Government Code, relating to cable television.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 53066.4 is added to the Government Code, to read:

53066.4. Every cable television system operating under a franchise or license awarded pursuant to Section 53066 shall, by July 1, 1984, and thereafter, offer to make a lockbox available to each of its subscribers. The monthly service charge for a lockbox shall not exceed fifty cents (\$.50), except that on January 1, 1985, and annually thereafter, the maximum monthly service charge shall be

increased by an amount equal to the percentage increase in the Consumer Price Index.

A city, county, or city and county is not precluded by this or any other provision of law from requiring, as a condition to the granting of a franchise, that a cable television system make lockboxes available to subscribers without charge.

For purposes of this section, a "lockbox" is a parental control device, either in the form of a separate unit or incorporated into a descrambler or other piece of equipment used to provide cable television service, which is made operational by a key or by a code, and which enables the subscriber to prevent the viewing of any pay channel offering adult programming.

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## CHAPTER 265

An act to amend Section 41871 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 41871 of the Food and Agricultural Code is amended to read:

41871. This chapter shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1989, deletes or extends that date.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 266

An act to add Section 1656.5 to the Vehicle Code, relating to vehicles.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 15, 1983.]



*The people of the State of California do enact as follows:*

SECTION 1. Section 1656.5 is added to the Vehicle Code, to read: 1656.5. The department shall conduct a study to determine the feasibility of financing the cost of publication of the California Driver's Handbook, as specified in subdivision (b) of Section 1656, by the sale of advertising within its pages. The department shall report to the Legislature on the problems and benefits associated with such a proposal.

The study shall include, but not be limited to, the issues of establishing advertising rates and appropriate limits on the amount of advertising accepted, anticipated cost benefits of the program, and establishing a process for screening advertising to assure that political, offensive, or controversial advertising is not included in the handbook.

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## CHAPTER 267

An act to add Section 13011 to the Health and Safety Code, relating to buildings.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 13011 is added to the Health and Safety Code, to read:

13011. Both doors of any double doors designated as the public entrance to any place of business shall be kept unlocked during normal business hours.

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## CHAPTER 268

An act to add Sections 10500.5, 10502 and 10519.1 to, to repeal and add Sections 10500, 10501, 10507, 10509, 10513, 10515, 10519, 10580, and 10581 of, and to repeal Sections 10501.5, 10504, 10505, 10510, 10511, 10512.5, 10514, 10514.5, 10514.7, 10514.8, 10514.9, 10516.5, 10517, 10518.6, 10518.8, 10519.5, 10520, 10521, 10522, 10522.5, 10523, 10524.5, 10524.7, 10525, 10526, 10527, 10528, 10540, 10543, 10567, 10581.5, 10581.6, 10582, 10586.5, 10587, 10588.5, 10590, 10591, 10593.6, 10596, 10597, 10599, 10600, 10601, and 10602 of, the Business and Professions Code, relating to mineral, oil, and gas brokers.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 10500 of the Business and Professions Code is repealed.

SEC. 2. Section 10500 is added to the Business and Professions Code, to read:

10500. Except as otherwise provided in this chapter, it is unlawful for any person to engage in any of the following acts for another or others for compensation or in expectation of compensation, unless the person is licensed as a mineral, oil and gas broker:

(a) To sell or offer for sale, buy or offer to buy, solicit prospective sellers or purchasers, solicit or obtain listings, or negotiate the purchase, sale or exchange of mineral, oil or gas property.

(b) To solicit borrowers or lenders for or negotiate loans on mineral, oil or gas property, or collect payments for lenders in connection with such loans.

(c) To lease or offer to lease or negotiate the sale, purchase or exchange of leases on mineral, oil or gas property.

(d) To rent, or place for rent, mineral, oil or gas property or to collect rent or royalties from mineral, oil or gas property or improvements thereon.

(e) Other than as an officer or employee of the state or federal government, to assist or offer to assist another or others in filing an application for the purchase or lease of, or to locate or enter upon mineral, oil or gas property owned by the state or federal government.

SEC. 2.5. Section 10500.5 is added to the Business and Professions Code, to read:

10500.5. It is unlawful for any person to engage in the following businesses as a principal unless the person is licensed as a mineral, oil, and gas broker:

(a) Except as provided in subdivision (d) of Section 10502, buying or leasing, or taking an option on mineral, oil, or gas property for the purpose of sale, exchange, lease, sublease or assignment of a lease of the property or any part of the property.

(b) Offering mining claims or any interest therein for sale or assignment.

SEC. 3. Section 10501 of the Business and Professions Code is repealed.

SEC. 4. Section 10501 is added to the Business and Professions Code, to read:

10501. (a) The Real Estate Commissioner may file a complaint for any violation of Section 10500 or 10500.5 before any court of competent jurisdiction, and the commissioner and the commissioner's counsel, deputies or assistants may assist in presenting the law or facts at the trial.

(b) It is the duty of the district attorney of the county in which a violation of Section 10500 or 10500.5 occurs to prosecute the violation.

(c) A natural person convicted of a violation of Section 10500 or 10500.5 shall be punished by a fine of not to exceed five hundred dollars (\$500) or by imprisonment in the county jail for a term not to exceed six months, or by both such fine and imprisonment, in the discretion of the court. A corporation convicted of a violation of Section 10500 or 10500.5 shall be punished by a fine of not to exceed five thousand dollars (\$5,000).

SEC. 5. Section 10501.5 of the Business and Professions Code is repealed.

SEC. 6. Section 10502 is added to the Business and Professions Code, to read:

10502. A mineral, oil and gas broker license shall not be required to engage in any of the following activities with respect to a mineral, oil or gas property:

(a) To act as a depository under an oil lease, gas lease or oil and gas lease other than for purpose of sale.

(b) To engage in any transaction subject to an order of a court of competent jurisdiction.

(c) To engage in the business of drilling for or producing oil or gas or mining for or producing minerals.

(d) To negotiate leases or agreements between an owner of mineral, oil or gas lands, leases or mineral rights on the one hand, and a person organized for or engaging in oil or gas or mineral or metal production on the other, or to enter into leases or agreements with an owner of mineral, oil, or gas lands, leases, or mineral rights on behalf of a disclosed or undisclosed person organized for or engaging in oil or gas or mineral or metal production.

(e) To deal with mineral rights or land, other than oil or gas rights or land, as the owner of the rights or land.

SEC. 7. Section 10504 of the Business and Professions Code is repealed.

SEC. 7.5. Section 10505 of the Business and Professions Code is repealed.

SEC. 8. Section 10507 of the Business and Professions Code is repealed.

SEC. 9. Section 10507 is added to the Business and Professions Code, to read:

10507. (a) A mineral, oil and gas broker license shall not be required of a real estate licensee when acting under the authority of a real estate license in connection with the sale, exchange or lease of real property if the transfer of a mineral, oil or gas interest is purely incidental to the sale, lease or exchange of the real property.

(b) A real estate broker who performs an act or engages in a transaction otherwise subject to this chapter which is incidental to acts undertaken under authority of his or her real estate license, but not within the provisions of subdivision (a), may secure a permit

from the commissioner to conduct the transaction without benefit of a mineral, oil and gas broker license. A real estate broker may not obtain more than one such permit per calendar year. The permit shall entitle the broker, and real estate salespersons employed by the broker, to perform acts which otherwise would require a mineral, oil and gas broker license in not to exceed 10 transactions in a calendar year.

SEC. 10. Section 10509 of the Business and Professions Code is repealed.

SEC. 11. Section 10509 is added to the Business and Professions Code, to read:

10509. (a) It is unlawful for a mineral, oil and gas broker to employ or compensate, directly or indirectly, any person who is not a mineral, oil and gas broker for performing any acts for which a mineral, oil and gas broker license is required.

(b) It is a misdemeanor, punishable by a fine of not exceeding fifty dollars (\$50) for each offense, for any person, whether obligor, escrow holder or otherwise, to pay or deliver compensation to a person for performing any acts for which a mineral, oil and gas broker license is required unless that person is known by the payer to be or has presented evidence to the payer that he or she was a licensed mineral, oil and gas broker at the time the compensation was earned.

SEC. 12. Section 10510 of the Business and Professions Code is repealed.

SEC. 12.5. Section 10511 of the Business and Professions Code is repealed.

SEC. 13. Section 10512.5 of the Business and Professions Code is repealed.

SEC. 14. Section 10513 of the Business and Professions Code is repealed.

SEC. 15. Section 10513 is added to the Business and Professions Code, to read:

10513. In performing acts within the scope and under the authority of this chapter, mineral, oil and gas brokers are subject to the provisions applicable to real estate brokers contained in Sections 10131.5, 10140.5, 10142, 10143.5, 10144, 10145, and 10148.

SEC. 16. Section 10514 of the Business and Professions Code is repealed.

SEC. 17. Section 10514.5 of the Business and Professions Code is repealed.

SEC. 18. Section 10514.7 of the Business and Professions Code is repealed.

SEC. 19. Section 10514.8 of the Business and Professions Code is repealed.

SEC. 20. Section 10514.9 of the Business and Professions Code is repealed.

SEC. 21. Section 10515 of the Business and Professions Code is repealed.

SEC. 22. Section 10515 is added to the Business and Professions Code, to read:

10515. (a) Except as provided in subdivision (b), mineral, oil and gas brokers in performing acts within the scope and under the authority of this chapter are subject to the provisions applicable to real estate brokers contained in Sections 10150, 10151.5, 10152, 10153.6, 10153.8, 10156, 10156.2, 10157, 10158, 10159, 10159.2, 10159.5, 10161.5, 10161.75, 10162, 10163, and 10165.

(b) Mineral, oil and gas brokers shall not be subject to any of the provisions of Article 2 (commencing with Section 10150) or Article 2.5 (commencing with Section 10170) of Chapter 3 which impose continuing education requirements as a prerequisite to the renewal of a license.

SEC. 23. Section 10516.5 of the Business and Professions Code is repealed.

SEC. 24. Section 10517 of the Business and Professions Code is repealed.

SEC. 25. Section 10518.6 of the Business and Professions Code is repealed.

SEC. 26. Section 10518.8 of the Business and Professions Code is repealed.

SEC. 27. Section 10519 of the Business and Professions Code is repealed.

SEC. 28. Section 10519 is added to the Business and Professions Code, to read:

10519. (a) The commissioner may issue a restricted mineral, oil and gas broker license to a person:

(1) Whose mineral, oil and gas broker license has been revoked as the result of disciplinary action taken by the commissioner.

(2) Who has made application for a mineral, oil and gas broker license but whose application for a plenary license has been denied by the commissioner pursuant to and under authority of the provisions of this chapter.

(b) A restricted mineral, oil and gas broker license issued by the commissioner may be restricted by term and by the conditions to be observed by the licensee in the performance of acts for which a mineral, oil and gas broker license is required including the posting of a surety bond by the restricted licensee in such form and condition as the commissioner may require.

SEC. 29. Section 10519.1 is added to the Business and Professions Code, to read:

10519.1. There is no property right and no right to the renewal of a restricted license issued pursuant to Section 10519.

The commissioner may suspend a restricted license pending the holding of a hearing on charges alleging a basis for disciplinary action against the restricted licensee.

SEC. 30. Section 10519.5 of the Business and Professions Code is repealed.

SEC. 31. Section 10520 of the Business and Professions Code is

repealed.

SEC. 32. Section 10521 of the Business and Professions Code is repealed.

SEC. 33. Section 10522 of the Business and Professions Code is repealed.

SEC. 34. Section 10522.5 of the Business and Professions Code is repealed.

SEC. 35. Section 10523 of the Business and Professions Code is repealed.

SEC. 36. Section 10524.5 of the Business and Professions Code is repealed.

SEC. 37. Section 10524.7 of the Business and Professions Code is repealed.

SEC. 38. Section 10525 of the Business and Professions Code is repealed.

SEC. 39. Section 10526 of the Business and Professions Code is repealed.

SEC. 40. Section 10527 of the Business and Professions Code is repealed.

SEC. 41. Section 10528 of the Business and Professions Code is repealed.

SEC. 42. Section 10540 of the Business and Professions Code is repealed.

SEC. 43. Section 10543 of the Business and Professions Code is repealed.

SEC. 44. Section 10567 of the Business and Professions Code is repealed.

SEC. 45. Section 10580 of the Business and Professions Code is repealed.

SEC. 46. Section 10580 is added to the Business and Professions Code, to read:

10580. Mineral, oil and gas brokers and applicants for mineral, oil and gas broker licenses are subject to the provisions applicable to real estate brokers contained in Sections 10200, 10201, 10201.6, 10207, 10208.5, 10209.5, 10210, 10211, 10213.6, and 10222.

SEC. 47. Section 10581 of the Business and Professions Code is repealed.

SEC. 48. Section 10581 is added to the Business and Professions Code, to read:

10581. The fee for an application for a mineral, oil and gas permit under Section 10507 is fifty dollars (\$50).

SEC. 49. Section 10581.5 of the Business and Professions Code is repealed.

SEC. 50. Section 10581.6 of the Business and Professions Code is repealed.

SEC. 51. Section 10582 of the Business and Professions Code is repealed.

SEC. 52. Section 10586.5 of the Business and Professions Code is repealed.

SEC. 53. Section 10587 of the Business and Professions Code is repealed.

SEC. 54. Section 10588.5 of the Business and Professions Code is repealed.

SEC. 55. Section 10590 of the Business and Professions Code is repealed.

SEC. 56. Section 10591 of the Business and Professions Code is repealed.

SEC. 57. Section 10593.6 of the Business and Professions Code is repealed.

SEC. 58. Section 10596 of the Business and Professions Code is repealed.

SEC. 59. Section 10597 of the Business and Professions Code is repealed.

SEC. 60. Section 10599 of the Business and Professions Code is repealed.

SEC. 61. Section 10600 of the Business and Professions Code is repealed.

SEC. 62. Section 10601 of the Business and Professions Code is repealed.

SEC. 63. Section 10602 of the Business and Professions Code is repealed.

SEC. 64. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 269

An act to amend Sections 9601, 9602, 9603, 9604, 9605, 9606, and 9607 of, and to add Sections 9600 and 9600.5 to, and to repeal Sections 9600 and 9609 of, the Welfare and Institutions Code, relating to elderly persons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 9600 of the Welfare and Institutions Code is repealed.

SEC. 2. Section 9600 is added to the Welfare and Institutions Code, to read:

9600. Since ongoing Brown Bag programs are threatened by extinction because of piecemeal, unsteady funding, the Department of Aging shall give first priority to ongoing Brown Bag programs that are being insufficiently funded. Ongoing Brown Bag programs shall demonstrate a cash match of 25 percent and an in-kind match of 25 percent before any program shall receive state subsidies.

Developing Brown Bag programs shall be selected on the basis of counties with access to surplus agricultural products and other food items and a large number of senior citizens living on fixed incomes. Developing Brown Bag programs shall demonstrate a cash match of 10 percent and an in-kind match of 25 percent before any program shall receive state subsidies.

Sources from which the matches may be derived include, but are not limited to, city, county, and federal funds, membership dues, and private or business donations. Priority shall be given to those local programs with a larger local match. For both ongoing and developing programs, state money shall be a catalyst for charitable contributions, including in-kind and local community support. State moneys shall not be used to replace other sources of fiscal and volunteer support unless absolutely necessary.

Each of the Brown Bag projects shall receive no more than thirty thousand dollars (\$30,000) per year.

SEC. 3. Section 9600.5 is added to the Welfare and Institutions Code, to read:

9600.5. As used in this chapter:

(a) "Brown Bag program" means a program which regularly provides bags of food to senior citizens living on fixed incomes and which currently receives, or at any time in the past received, moneys appropriated under the Brown Bag Network Act.

(b) "Developing Brown Bag program" means a program which recently began to provide bags of food to senior citizens living on limited incomes and is applying for Brown Bag Network Act funds for the first time.

(c) "Ongoing Brown Bag program" means a program which has been providing bags of food regularly to senior citizens living on limited incomes and currently receives moneys appropriated under the Brown Bag Network Act.

(d) "Insufficiently funded" means not possessing adequate funds for the lease of needed equipment, warehouses, trucks, freezer space, or salaries for the paid staff to coordinate volunteers and provide for a timely, business-like response to donors and for distribution of foods.

(e) "Low-income elderly person living on a limited income" means a person 60 years of age or older, with an income of no higher than five thousand five hundred dollars (\$5,500) for an individual or eight thousand dollars (\$8,000) for a couple.

SEC. 4. Section 9601 of the Welfare and Institutions Code is amended to read:

9601. The Department of Aging shall directly implement the



provisions of this act.

SEC. 5. Section 9602 of the Welfare and Institutions Code is amended to read:

9602. The Department of Aging shall directly:

(a) Select sponsors for the Brown Bag programs. The sponsors to be funded shall be: (1) all ongoing, and (2) no more than three developing fiscally responsible and viable public or private nonprofit corporations.

(b) Contract with the sponsor of the Brown Bag program.

(c) Perform an annual audit of the Brown Bag programs. An outside consultant may be employed to perform such functions. The Joint Legislative Audit Committee shall select one accounting and one bookkeeping system in order to make auditing less costly to the state.

(d) Advance funds for a fiscal quarter one month prior to the beginning of the quarter.

SEC. 6. Section 9603 of the Welfare and Institutions Code is amended to read:

9603. Each Brown Bag program is to be run by a board of directors, with at least one senior citizen as a representative, and other interested persons from the community. Brown Bag programs should have adequate warehouse space with access to refrigerator and freezer storage.

The Brown Bag program shall distribute produce and unsold foodstuffs to low-income elderly persons living on limited incomes.

SEC. 7. Section 9604 of the Welfare and Institutions Code is amended to read:

9604. In order to promote efficient communication and to maximize the development of sound policy among the Brown Bag programs and with the state, there shall be created a Brown Bag Advisory Committee. The advisory committee shall be composed of:

(a) A representative from each of the Brown Bag programs.

(b) An older person who is a Brown Bag recipient, appointed by the chairperson.

(c) The Director of the Department of Aging, or his or her designee.

(d) The Chairperson of the Commission on Aging or his or her designee.

(e) The Director of the Department of Food and Agriculture or his or her designee.

The chairperson of the advisory committee shall be elected by the members.

The committee shall meet on a quarterly basis or upon the call of the chair. Committee members shall be reimbursed for necessary and actual expenses incurred in conjunction with their membership. Funding for reimbursement shall be derived from the appropriation for this act.

SEC. 8. Section 9605 of the Welfare and Institutions Code is amended to read:

9605. The committee's functions shall include:

(a) Provision of information to the Department of Aging regarding the Brown Bag programs.

(b) Giving advice to the Department of Aging on planning and policy decisions mandated by this act.

(c) Assisting in the decision of where new Brown Bag programs will be established.

(d) Provision of technical assistance to developing Brown Bag programs and to organizations interested in starting Brown Bag programs.

SEC. 9. Section 9606 of the Welfare and Institutions Code is amended to read:

9606. Food distributed to seniors shall comply with county health regulations. Except for any injury resulting from gross negligence or willful act, no county or agency of a county established pursuant to this chapter and no person who donates any agricultural product shall be liable for any injury, including, but not limited to, injury resulting from the ingesting of such product, as a result of any act, or the omission of any act, in connection with donating any product pursuant to this chapter.

SEC. 10. Section 9607 of the Welfare and Institutions Code is amended to read:

9607. The Department of Aging shall report to the Legislature on the efficiency of the Brown Bag programs. The report shall be biannual, with the first report due by February 28, 1986, and succeeding reports due by February 28 in appropriate years. Evaluation criteria shall include, but not be limited to: (1) The approximate number of pounds of food distributed per Brown Bag program; (2) the number of people served, and (3) the number of volunteer hours provided.

SEC. 11. Section 9609 of the Welfare and Institutions Code is repealed.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure continuation of the Brown Bag Network Act, it is necessary that this act go into immediate effect.

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## CHAPTER 270

An act to amend Sections 22507.8, 22511.7, 22511.8, and 22652 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 22507.8 of the Vehicle Code is amended to read:

22507.8. (a) It is unlawful for any person to park or leave standing any vehicle in a stall or space designated for physically handicapped persons pursuant to Section 22511.7 or 22511.8, unless the vehicle displays either one of the distinguishing license plates or a placard issued pursuant to Section 22511.5 or 22511.9.

(b) The provisions of subdivision (a) shall apply to all offstreet parking facilities owned or operated by the state, and to all offstreet parking facilities owned or operated by a local authority. The provisions of subdivision (a) shall also apply to any privately owned and maintained offstreet parking facility.

SEC. 2. Section 22511.7 of the Vehicle Code is amended to read:

22511.7. In addition to Section 22511.8 for offstreet parking, a local authority may by ordinance or resolution designate parking spaces for the exclusive use of vehicles which display a distinguishing license plate or a placard issued pursuant to Section 22511.5 or 22511.9. Whenever a local authority so designates a parking space, it shall be indicated by blue paint on the curb or edge of the paved portion of the street adjacent to the space. In addition to blue paint, the space may also be indicated by signs or other suitable means.

The provisions of this section shall not be construed to restrict the privilege granted to disabled veterans by Section 22511 and to disabled persons by Section 22511.5.

SEC. 3. Section 22511.8 of the Vehicle Code is amended to read:

22511.8. (a) Any local authority, by ordinance or resolution, and any person in lawful possession of an offstreet parking facility may designate stalls or spaces in an offstreet parking facility owned or operated by the local authority or person for the exclusive use of vehicles which display a distinguishing license plate or a placard issued pursuant to Section 22511.5 or 22511.9. The designation shall be made in either of the following ways:

(1) By posting immediately adjacent to, and visible from, each stall or space, a sign consisting of a profile view of a wheelchair with occupant in white on a blue background.

(2) By outlining or painting the stall or space in blue and outlining on the ground in the stall or space in white or suitable contrasting color a profile view depicting a wheelchair with occupant.

(b) If posted in accordance with subdivision (d), the owner or person in lawful possession of a privately owned or operated offstreet parking facility, after notifying the police or sheriff's department, may cause the removal of a vehicle from a stall or space designated pursuant to subdivision (a) for physically handicapped persons in the facility to the nearest public garage unless the vehicle is displaying

one of the distinguishing placards or license plates issued pursuant to Section 22511.5 or 22511.9.

(c) If posted in accordance with subdivision (d), the local authority owning or operating an offstreet parking facility, after notifying the police or sheriff's department, may cause the removal of a vehicle from a stall or space designated pursuant to subdivision (a) for physically handicapped persons in the facility to the nearest public garage unless the vehicle is displaying one of the distinguishing placards or license plates issued pursuant to Section 22511.5 or 22511.9.

(d) The posting required for an offstreet parking facility owned or operated either privately or by a local authority shall consist of a sign not less than 17 by 22 inches in size with lettering not less than one inch in height which clearly and conspicuously states the following: "Unauthorized vehicles not displaying distinguishing placards or license plates issued for physically handicapped persons will be towed away at owner's expense. Towed vehicles may be reclaimed at \_\_\_\_\_ or by telephoning \_\_\_\_\_"

(Address)

(Telephone number of local law enforcement agency)

The sign shall be posted in either of the following locations:

- (1) Immediately adjacent to, and visible from, the stall or space.
- (2) In a conspicuous place at each entrance to the offstreet parking facility.

(e) The provisions of this section shall not be construed to restrict the privilege granted to disabled veterans by Section 22511 and to disabled persons by Section 22511.5.

SEC. 4. Section 22652 of the Vehicle Code is amended to read:

22652. Any peace officer, as that term is defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or any regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city or a county may remove any vehicle from a stall or space designated for physically handicapped persons pursuant to Section 22511.7 or 22511.8, located within the territory limits in which the officer or employee is empowered to act, if the vehicle is parked in violation of Section 22507.8 and if the police or sheriff's department or California Highway Patrol has been notified.

In a privately owned or operated offstreet parking facility, this section shall apply only to those stalls and spaces if the posting requirements under subdivision (b) and (d) of Section 22511.8 have been complied with and if the stalls or spaces are clearly marked.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act

creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 6. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to correct and clarify the laws relating to handicapped parking, to promote enforcement of correct use, and to curb abuses at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 271

An act to add Section 5015.7 to the Education Code, relating to community colleges.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5015.7 is added to the Education Code, to read:

5015.7. If the governing board of Santa Clarita Community College adopts election procedures with number assignments to each board seat pursuant to Section 5015.5, this system shall remain in effect until the governing board, by a resolution adopted by a two-thirds vote of the board, discontinues numbered seats and returns to procedures under Section 5015.

SEC. 2. The Legislature finds and declares that, due to the unique circumstances in the Santa Clarita Community College District, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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## CHAPTER 272

An act to amend Section 945.3 of the Government Code, relating to public liability.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 945.3 of the Government Code is amended to read:

945.3. No person charged by indictment, information, complaint, or other accusatory pleading charging a criminal offense may bring a civil action for money or damages against a peace officer or the public entity employing a peace officer based upon conduct of the peace officer relating to the offense for which the accused is charged, including an act or omission in investigating or reporting the offense or arresting or detaining the accused, while the charges against the accused are pending before a justice, municipal, or superior court.

Any applicable statute of limitations for filing and prosecuting these actions shall be tolled during the period that the charges are pending before a justice, municipal, or superior court.

For the purposes of this section, charges pending before a justice, municipal, or superior court do not include appeals or criminal proceedings diverted pursuant to Chapter 2.5 (commencing with Section 1000), Chapter 2.6 (commencing with Section 1000.6), Chapter 2.7 (commencing with Section 1001), Chapter 2.8 (commencing with Section 1001.20), or Chapter 2.9 (commencing with Section 1001.50) of Title 6 of Part 2 of the Penal Code.

Nothing in this section shall prohibit the filing of a claim with the board of a public entity, and this section shall not extend the time within which a claim is required to be presented pursuant to Section 911.2.

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## CHAPTER 273

An act to amend Sections 231 and 21200 of the Vehicle Code, relating to bicycles.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 231 of the Vehicle Code is amended to read:

231. A bicycle is a device upon which any person may ride, propelled exclusively by human power through a belt, chain, or gears, and having one or more wheels. Persons riding bicycles are subject to the provisions of this code specified in Section 21200.

SEC. 2. Section 21200 of the Vehicle Code is amended to read:

21200. (a) Every person riding a bicycle upon a highway shall have all the rights and shall be subject to all the provisions applicable to the driver of a vehicle by this division, including, but not limited

to, provisions dealing with driving under the influence of alcoholic beverages or drugs, and by Division 10 (commencing with Section 20000), Division 16.7 (commencing with Section 39000), Division 17 (commencing with Section 40000), and Division 18 (commencing with Section 42000), except those provisions which by their very nature can have no application.

(b) Any person who rides a bicycle upon a highway while under the influence of an alcoholic beverage or drugs, or under the combined influence thereof, shall be punished by a fine of not more than two hundred fifty dollars (\$250).

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 274

An act to amend Section 14499.5 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14499.5 of the Welfare and Institutions Code is amended to read:

14499.5. (a) In carrying out the intent of this article, the director shall contract for the operation of one local pilot program. Special consideration shall be given to approving a program contracted through county government in Santa Barbara County.

(b) The establishment of a pilot program pursuant to this section shall be contingent upon the availability of state and federal funding. The program shall include the following components:

(1) Local authority for administration, fiscal management, and delivery of services, but not including eligibility determination.

(2) Physician case management.

(3) Cost containment through provider incentives and other means.

(c) The proposal for the pilot program shall include a plan and budget for delivery of services, administration and evaluation. During the first year of the pilot program, the amount of the state contract shall equal 95 percent of total projected Medi-Cal

expenditures for delivery of services and for administration based on fee-for-service conditions in the program county. During the remaining years of the pilot program, projections of Medi-Cal expenditures in the program county shall equal 95 percent of total projected Medi-Cal expenditures for delivery of services based on the fee-for-service Medi-Cal experience in comparable counties or groups of counties. The projected total expenditure shall be determined annually according to an acceptable actuarial process. The data elements used by the department shall be shared with the proposed contractor.

(d) The director shall accept or reject the proposal within 30 days after the date of receipt. If a decision is made to reject the proposal, the director shall set forth the reasons for this decision in writing. Upon approval of the proposal, a contract shall be written within 60 days. After signature by the local contractor, the Department of Health Services, the Department of General Services, and the Department of Finance shall execute the contract within 60 days.

(e) The director shall seek the necessary state and federal waivers to enable operation of the program. If the federal waivers for delivery of services under this plan are not granted, the department is under no obligation to contract for implementation of the program.

(f) For purposes of Section 1343 of the Health and Safety Code, the Santa Barbara County Special Health Care Authority shall be considered to be a county-operated pilot program contracting with the State Department of Health Services pursuant to this article, and notwithstanding any other provision of law, during the period that this contract is in effect, the contractor shall be exempt from the provisions of the Knox-Keene Health Care Service Plan Act of 1975, Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, relative to the services provided to Medi-Cal beneficiaries under the terms and provisions of the pilot program.

(g) Nothing in this section shall be construed to include dental services within the services provided in this pilot program.

(h) Any federal demonstration funding for this pilot program shall be made available to the county within 60 days upon notification of the award without the state retaining any portion not previously specified in the grant application as submitted.

(i) An independent evaluation of the program shall be conducted and a report submitted to the Legislature and the director by June 30, 1987. The cost of the evaluation shall be borne by grants to be obtained jointly by the department and the local contractor. This evaluation and report shall include, but is not limited to, the following:

(1) An assessment of the cost of medical services as compared to the cost of the existing Medi-Cal fee-for-service delivery mode.

(2) An assessment of utilization levels of specialist and emergency services.



(3) An assessment of the quality of care.

(4) Recommendations for future policy on delivery of services.

(j) This section shall remain in effect only until June 30, 1987, and as of that date is repealed, unless a later enacted statute which is chaptered before June 30, 1987, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To insure that the Santa Barbara County Medi-Cal pilot program provided for in Part 3.5 (commencing with Section 1175) of Division 1 of the Health and Safety Code receives the expeditious approval of all reviewing authorities and goes into operation in 1983, it is necessary that this act take immediate effect.

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## CHAPTER 275

An act to amend Section 225 of the Streets and Highways Code, and to amend Sections 22520.5 and 40000.13 of, and to add Section 22520.6 to, the Vehicle Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1983 Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 225 of the Streets and Highways Code is amended to read:

225. (a) The department may enact rules and regulations governing the time and manner of use of safety roadside rests, and all state laws and rules and regulations of the department shall be administered and enforced within the safety roadside rests by all employees of the state authorized by the department to do so and by all peace officers.

(b) No person shall engage in any activity within a safety roadside rest area or vista point prohibited by rules and regulations adopted pursuant to this section.

(c) A violation of subdivision (b) is an infraction. A second or subsequent conviction of a violation of subdivision (b) is a misdemeanor.

SEC. 2. Section 22520.5 of the Vehicle Code is amended to read:

22520.5. (a) No person shall solicit, display, sell, offer for sale, or otherwise vend or attempt to vend any merchandise or service while being wholly or partly within the right-of-way of any freeway, including any on-ramp, off-ramp, or roadway shoulder which lies within the right-of-way of the freeway.

(b) Subdivision (a) does not apply to a roadside rest area or vista

point located within a freeway right-of-way which is subject to Section 22520.6, to a tow car or service vehicle rendering assistance to a disabled vehicle, or to a person issued a permit to vend upon the freeway pursuant to Section 670 of the Streets and Highways Code.

(c) A violation of this section is an infraction. A second or subsequent conviction of a violation of this section is a misdemeanor.

SEC. 3. Section 22520.6 is added to the Vehicle Code, to read:

22520.6. (a) No person shall engage in any activity within a highway roadside rest area or vista point prohibited by rules and regulations adopted pursuant to Section 225 of the Streets and Highways Code.

(b) A violation of this section is an infraction. A second or subsequent conviction of a violation of this section is a misdemeanor.

SEC. 4. Section 40000.13 of the Vehicle Code is amended to read:

40000.13. A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

(a) Section 16560, relating to interstate highway carriers.

(b) Sections 20002 and 20003, relating to duties at accidents.

(c) Section 21651, subdivision (b), relating to wrong-way driving on freeways.

(d) Section 22520.5, a second or subsequent conviction of an offense relating to vending on freeways.

(e) Section 22520.6, a second or subsequent conviction of an offense relating to roadside rest areas and vista points.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to impose restrictions which will protect the health and safety of tourists and other persons traveling on the highways during this summer, it is necessary that this act take effect immediately.

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## CHAPTER 276

An act to amend Sections 19, 20, 21, and 29 of, to add Sections 9.1, 25.1, 25.2, and 25.3 to, to repeal and add Sections 3, 5, 6, 7, 8, and 8.1 of, and to repeal Section 26 of, the Riverside County Flood control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), relating to the Riverside County Flood Control and Water

## Conservation District.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 2. Section 3 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 3. Zone one shall comprise all that territory and area included within the following described boundaries:

Beginning at a point on the northerly boundary of Riverside County at the northeast corner of Section 17, T2S, R3W, S.B.B. & M.;

Thence south 1 mile to the southeast corner of Section 17;

Thence southeasterly in a straight line to the southeast corner of Section 21, T2S, R3W, S.B.B. & M.;

Thence west along section lines, 2 miles to the southeast corner of Section 19, T2S, R3W, S.B.B. & M.;

Thence north along the east line of Section 19 to the east quarter corner thereof;

Thence west along the east-west quarter section line to the center of the section;

Thence north along the north-south quarter section line to the north quarter corner of Section 19;

Thence west on section lines, 3.5 miles to the northwest corner of Section 22, T2S, R4W, S.B.B. & M.;

Thence south on section lines, 6 miles to the southeast corner of Section 16, T3S, R4W, S.B.B. & M.;

Thence west on section lines, 5 miles to the northwest corner of Section 23, T3S, R5W, S.B.B. & M.;

Thence south one mile to the southwest corner of Section 23;

Thence following section lines, 4 miles west to the northwest corner of Section 30, T3S, R5W, S.B.B. & M.;

Thence south on the west boundary of the section to the southwest corner thereof;

Thence west on section lines to an intersection with the southerly boundary of the lands of the Riverside Land & Irrigating Company, as shown on map recorded in Book 1 of Maps, at page 70, records of the Recorder of San Bernardino County, California;

Thence westerly along the southerly boundary to the center line of Temescal Street as shown on the map;

Thence northwesterly along the center line of Temescal Street to the center line of the southerly drive of State Highway Route No. 43, as the center line is shown on the Improvement Plans of the Riverside County Highway Commission Route No. 2, on file in the

Office of the County Surveyor;

Thence westerly on the center line to the westerly boundary of Lot 10, in Block 63, as shown on the Map of the Riverside Land & Irrigating Company;

Thence northerly on the westerly boundary of Lot 10, and on the westerly boundary extended northerly, to the southerly line of the right-of-way of the Atchison, Topeka and Santa Fe Railroad;

Thence northerly in a direct line to the southwest corner of Lot 18, as shown on Assessor's Map No. 30, filed in Book 1 of Assessor's Maps at pages 40 and 41 thereof, records of the Recorder of Riverside County, California;

Thence north on the westerly boundary of Lot 18 to the most northerly corner of the lot, at a point on the westerly boundary of Lot 1 as shown on the map;

Thence northerly along the westerly boundary of Lot 1, in all its various courses to the northwesterly corner of the lot at a point on the northerly boundary of the Rancho El Sobrante de San Jacinto;

Thence northeasterly on the Ranch line to the east boundary of Section 20, T3S, R6W, S.B.B. & M.;

Thence northerly on section lines to the northwest corner of Section 28, T2S, R6W, S.B.B. & M.;

Thence westerly along section lines, 2 miles to the southeast corner of Section 19, T2S, R6W, S.B.B. & M.;

Thence north along the township line, 4 miles to the northwest corner of Section 6, T2S, R6W, S.B.B. & M.;

Thence following the northerly boundary of Riverside County easterly, southerly, easterly, southerly, and easterly to the place of beginning.

SEC. 3. Section 5 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 4. Section 5 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 5. Zone three shall comprise all that territory and area included within the following described boundaries:

Beginning at the intersection of the southerly line of Section 20, T5S, R6W, S.B.B. & M., and the westerly boundary of Riverside County;

Thence east on section lines, 8.5 miles, more or less, to the southeast corner of Section 22, T5S, R5W, S.B.B. & M.;

Thence northeasterly in a straight line to the northeast corner of Section 13, T5S, R5W, S.B.B. & M.;

Thence north one mile to the northwest corner of Section 7, T5S, R4W, S.B.B. & M.;

Thence east along section lines, 4 miles to the northeast corner of Section 10, T5S, R4W, S.B.B. & M.;

Thence south 2 miles to the southeast corner of Section 15, T5S, R4W, S.B.B. & M.;

Thence east one mile to the northeast corner of Section 23, T5S, R4W, S.B.B. & M.;

Thence south 3 miles to the northeast corner of Section 2, T6S, R4W, S.B.B. & M.;

Thence east one mile to the northeast corner of Section 1, T6S, R4W, S.B.B. & M.;

Thence south 3 miles to the southeast corner of Section 13, T6S, R4W, S.B.B. & M.;

Thence west 1 mile to the northeast corner of Section 23, T6S, R4W, S.B.B. & M.;

Thence south 1 mile to the southeast corner of Section 23, T6S, R4W, S.B.B. & M.;

Thence west 1 mile to the northeast corner of Section 27, T6S, R4W, S.B.B. & M.;

Thence south 1 mile to the southeast corner of Section 27, T6S, R4W, S.B.B. & M.;

Thence westerly along section line to a point on the northeasterly boundary of the map of Blocks K, L, and M, Elsinore, California, as filed in Book 4, page 174 of maps in the Office of the Recorder of San Diego County, California, the northeasterly boundary also being the northeasterly boundary of Rancho La Laguna;

Thence northwesterly along the northeasterly boundary line of the map of Blocks K, L, and M, to a point on the northwesterly line of Wesley Street, as shown on the map of Blocks K, L, and M;

Thence southwesterly along the northwesterly line of Wesley Street to a point on the northeasterly line of Palomar Street, as shown on the map of Blocks K, L, and M;

Thence northwesterly along the northeasterly line of Palomar Street and along the northeasterly line of Palomar Street, as shown on map of Sedco Tract No. 1, as filed in Book 10, pages 58 to 75 of maps in the Office of the Recorder of Riverside County, California, to a point on the southeasterly line of Corydon Street, as shown on the map of Blocks K, L, and M;

Thence southwesterly along the southeasterly line of Corydon Street and along the southwesterly prolongation thereof to a point on the northeasterly line of Lot 2, Block K, as shown on the map of Block K, L, and M;

Thence northwesterly along the northeasterly line of Lot 2 to the northwest corner thereof;

Thence southwesterly along the northwesterly line of Lot 2 to the southwest corner thereof, the point being on the southwesterly boundary of Rancho La Laguna;

Thence northwesterly along the southwesterly boundary of Rancho La Laguna to a point on the easterly line of Section 29, T6S, R4W, S.B.B. & M.;

Thence southerly along section lines to a point on the northwesterly line of the Santa Rosa Rancho;

Thence southwesterly along the northwesterly line of Santa Rosa Rancho to a point on the southerly boundary of Riverside County;

Thence westerly and northerly along the boundary of Riverside County, in all its various courses, to the point of beginning.

SEC. 5. Section 6 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 6. Section 6 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 6. Zone four shall comprise all that territory and area included within the following described boundaries:

Beginning at the northwest corner of Section 27, T2S, R3W, S.B.B. & M.;

Thence east on section lines, 2 miles to the section corner;

Thence south 1 mile to the section corner;

Thence east on section lines, 2 miles to the section corner;

Thence south on the section line, 1 mile to the section corner;

Thence east on section lines, 3 miles to the northeast corner of Section 3, T3S, R2W, S.B.B. & M.;

Thence south on section line, 1 mile to the southeast corner of the section;

Thence east on the section line, 1 mile to the section corner;

Thence south on the section line, 1 mile to the section corner;

Thence east on the section line, 1 mile to the section corner;

Thence south on the section line, 1 mile to the northwest corner of Section 19, T3S, R1W, S.B.B. & M.;

Thence east on the north line of the section, 1 mile to the northeast corner of the section;

Thence south on the east line of the section, 1 mile to the southeast corner of Section 19;

Thence east on the section line, 1 mile to the section corner;

Thence south on the section line, 1 mile to the section corner;

Thence east on the section line, 1 mile to the section corner;

Thence south on section lines, 2 miles to the southwest corner of Section 3, T4S, R1W, S.B.B. & M.;

Thence east on section lines, 6 miles to the northeast corner of Section 9, T4S, R1E, S.B.B. & M.;

Thence south on the east line of Section 9 to the northwest corner of Section 10, T4S, R1E, S.B.B. & M.;

Thence east on section lines, 3 miles to the northeast corner of Section 12, T4S, R1E, S.B.B. & M.;

Thence south on the east line of the section to the southeast corner thereof;

Thence east on section lines, 8 miles to the northeast corner of Section 17, T4S, R3E, S.B.B. & M.;

Thence south on section lines, 4 miles to the section corner;

Thence east on section lines, 4 miles to the southeast corner of Section 36, T4S, R3E, S.B.B. & M.;

Thence south on township lines, 12 miles, more or less, to the southeast corner of Section 36, T6S, R3E, S.B.B. & M.;

Thence west on township lines, 18 miles, more or less, to the southwest corner of Section 31, T6S, R1E, S.B.B. & M.;

Thence south to the southeast corner of Section 36, T6S, R1W, S.B.B. & M.;

Thence west on the township lines, 6 miles to the southwest corner of Section 31, T6S, R1W, S.B.B. & M.;

Thence north on the township line, 2 miles to the northeast corner of Section 25, T6S, R2W, S.B.B. & M.;

Thence west on section lines, 12 miles to the southwest corner of Section 19, T6S, R3W, S.B.B. & M.;

Thence north on section lines, 4 miles to the northeast corner of Section 1, T6S, R4W, S.B.B. & M.;

Thence west on the north line of Section 1 to the northwest corner of the section;

Thence north on section lines, 3 miles to the section corner;

Thence west 1 mile to the section corner;

Thence north 2 miles to the section corner;

Thence west on section lines, 4 miles to the northwest corner of Section 7, T5S, R4W, S.B.B. & M.;

Thence north on section line, 4 miles to the northwest corner of Section 19, T4S, R4W, S.B.B. & M.;

Thence east on section lines, 2 miles to the section corner;

Thence north on section lines, 3 miles to the northwest corner of Section 4, T4S, R4W, S.B.B. & M.;

Thence east on the township line to the southeast corner of Section 33, T3S, R4W, S.B.B. & M.;

Thence north on section lines, 9 miles to the northwest corner of Section 22, T2S, R4W, S.B.B. & M.;

Thence east along section lines, 3.5 miles to the north quarter corner of Section 19, T2S, R3W, S.B.B. & M.;

Thence south along the north-south quarter section line to the center of the section;

Thence east along the east-west quarter section line to the east quarter corner of the section;

Thence south along the east line of the section to the southeast corner thereof;

Thence east along section lines, 2 miles to the northwest corner of Section 27, T2S, R3W and to the point of beginning.

SEC. 7. Section 7 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 8. Section 7 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 7. Zone five shall comprise all that territory and area included within the following described boundaries:

Beginning at the northwest corner of Section 16, T2S, R3W, S.B.B. & M.;

Thence south on the west boundary of the section to the southwest

corner thereof;

Thence southeast in a straight line to the southwest corner of Section 22, T2S, R3W, S.B.B. & M.;

Thence east on section lines, 2 miles to the section corner;

Thence south 1 mile to the section corner;

Thence east on section lines, 2 miles to the section corner;

Thence south on section line, 1 mile to the section corner;

Thence east on section lines, 3 miles to the northeast corner of Section 3, T3S, R2W, S.B.B. & M.;

Thence south on the section line, 1 mile to the southeast corner of the section;

Thence east on the section line, 1 mile to the section corner;

Thence south on the section line, 1 mile to the section corner;

Thence east on the section line, 1 mile to the section corner;

Thence south on the section line, 1 mile to the northwest corner of Section 19, T3S, R1W, S.B.B. & M.;

Thence east on the north line of the section, 1 mile to the northeast corner of the section;

Thence south on the east line of the section, 1 mile to the southeast corner of Section 19;

Thence east on the section line, 1 mile to the section corner;

Thence south on the section line, 1 mile to the section corner;

Thence east on the section line, 1 mile to the section corner;

Thence south on section lines, 2 miles to the southwest corner of Section 3, T4S, R1W, S.B.B. & M.;

Thence east on section lines, 6 miles to the northeast corner of Section 9, T4S, R1E, S.B.B. & M.;

Thence south on the east line of Section 9 to the northwest corner of Section 10, T4S, R1E, S.B.B. & M.;

Thence east on section lines, 3 miles to the northeast corner of Section 12, T4S, R1E, S.B.B. & M.;

Thence south on the east line of section to the southeast corner of the section;

Thence east on section lines, 6 miles to the southeast corner of Section 12, T4S, R2E, S.B.B. & M.;

Thence north on section lines, 14 miles to a point on the northerly boundary of the County of Riverside at the northeast corner of Section 1, T2S, R2E, S.B.B. & M.;

Thence westerly, southerly, and westerly on the northerly boundary of the County of Riverside to the point of beginning.

SEC. 9. Section 8 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 10. Section 8 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 8. Zone six shall comprise all that territory and area included within the following described boundaries:

Beginning at the northeast corner of Section 3, T2S, R6E, S.B.B. &



M.;

Thence south on section lines, 2 miles to the section corner;

Thence east on section lines, 2 miles to the southeast corner of Section 12, T2S, R6E, S.B.B. & M.;

Thence north to the southwest corner of Section 7, T2S, R7E, S.B.B. & M.;

Thence east on section lines, 4 miles to the section corner;

Thence south on section lines, 3 miles to the section corner;

Thence east on section lines, 2 miles to the section corner;

Thence south on section lines, 2 miles to the southwest corner of Section 6, T3S, R8E, S.B.B. & M.;

Thence east on section lines, 2 miles to the section corner;

Thence south on section lines, 2 miles to the section corner;

Thence east on section lines, 3 miles to the section corner corner;

Thence south on section lines, 2 miles to the southeast corner of Section 26, T3S, R8E, S.B.B. & M.; Thence west on section lines, 3 miles to the section corner;

Thence south on the section line, 1 mile to the southeast corner of Section 32, T3S, R8E, S.B.B. & M.;

Thence west on section lines, 14 miles to the northwest corner of Section 6, T4S, R6E, S.B.B. & M.;

Thence south on section lines, 1 mile to the section corner;

Thence west on section lines, 2 miles to the section corner;

Thence north on the section line,  $\frac{1}{2}$  mile to the northeast corner of the south  $\frac{1}{2}$  of Section 3, T4S, R5E, S.B.B. & M.;

Thence west on the north boundary of the South  $\frac{1}{2}$  of Section 3, 1 mile to the northwest corner thereof;

Thence north on the section line,  $\frac{1}{2}$  mile to the northwest corner of Section 3;

Thence west on the section line,  $\frac{1}{2}$  mile to the southeast corner of the southwest  $\frac{1}{4}$  of Section 33, T3S, R5E, S.B.B. & M.;

Thence north  $\frac{1}{2}$  mile to the northeast corner of the southwest  $\frac{1}{4}$ ;

Thence west  $\frac{1}{2}$  mile to the northwest corner of the southwest  $\frac{1}{4}$ ;

Thence north on the section line,  $\frac{1}{2}$  mile to the northwest corner of Section 33;

Thence west on the section line, 1 mile to the section corner;

Thence north on the section line, 1 mile to the section corner;

Thence west on section lines, 2 miles to the section corner;

Thence north on the section line, 1 mile to the section corner;

Thence west on section lines, 5 miles to the northwest corner of Section 19, T3S, R4E, S.B.B. & M.;

Thence south on section lines,  $1\frac{1}{2}$  miles to the west  $\frac{1}{4}$  section corner of Section 30, said township and range;

Thence easterly along the east and west  $\frac{1}{4}$  section line of Section 30 to the east  $\frac{1}{4}$  section corner thereof;

Thence southerly along the easterly line of Section 30 to the southeast corner thereof;

Thence easterly along the section line to the north  $\frac{1}{4}$  section corner of Section 32, said township and range;

Thence southerly along the north and south  $\frac{1}{4}$  section line of Section 32 to the center of Section 32;

Thence easterly along the east and west  $\frac{1}{4}$  section line of Section 32 to the east  $\frac{1}{4}$  section corner thereof;

Thence southerly along the easterly line of Section 32 to the southeast corner thereof;

Thence easterly along section lines, 2 miles to the northeast corner of Section 3, T4S, R4E, S.B.B. & M.;

Thence southerly along the easterly line of Section 3 to the southeast corner thereof;

Thence easterly along the northerly line of Section 11, said township and range, to the northeast corner thereof;

Thence southerly along the easterly line of Section 11 to the southeast corner thereof;

Thence easterly along section lines, 2 miles to the northeast corner of Section 18, T4S, R5E, S.B.B. & M.;

Thence southerly along section lines, 3 miles to the southeast corner of Section 30, said township and range;

Thence easterly along section lines,  $1\frac{3}{4}$  miles to the northeast corner of the northwest  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of Section 33, said township and range;

Thence southerly along the easterly line of the northwest  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of Section 33 to the southeast corner thereof;

Thence easterly along the northerly line of the southeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of Section 33 to the northeast corner thereof;

Thence southerly along the easterly line of Section 33 to the southeast corner thereof;

Thence west along the township line to the northwest corner of Section 3, T5S, R5E, S.B.B. & M.;

Thence south along section lines, 12 miles to the southwest corner of Section 34, T6S, R5E, S.B.B. & M.;

Thence west along the township line to the northwest corner of Section 3, T7S, R5E, S.B.B. & M.;

Thence south on section lines, 3 miles to the southwest corner of Section 15, T7S, R5E, S.B.B. & M.;

Thence west along section lines, 3 miles, more or less, to the southwest corner of Section 18, T7S, R5E, S.B.B. & M.;

Thence north on section lines, 3 miles to the northeast corner of Section 1, T7S, R4E, S.B.B. & M.;

Thence west on section lines to the southwest corner of Section 31, T6S, R4E, S.B.B. & M.;

Thence north on section lines, 12 miles to the southeast corner of Section 36, T4S, R3E, S.B.B. & M.;

Thence west on section lines, 4 miles to the section corner;

Thence north on section lines, 4 miles to the section corner;

Thence west on section lines, 2 miles to the southwest corner of Section 7, T4S, R3E, S.B.B. & M.;

Thence north on section lines, 14 miles to a point on the northerly boundary of the County of Riverside at the northwest corner of

Section 6, T2S, R3E, S.B.B. & M.;

Thence east on the northerly boundary of Riverside County, 22 miles to the point of beginning.

SEC. 11. Section 8.1 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 12. Section 8.1 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 8.1. Zone seven shall comprise all that territory and area included within the following described boundaries:

Beginning at the southeast corner of Section 36, T8S, R5E, S.B.B. & M., the point being on the southerly boundary of Riverside County;

Thence westerly and northwesterly along the southerly boundary of Riverside County in all its various courses, to a point on the southerly line of T7S, R5W, S.B.B. & M., the point also being on the northwesterly boundary of the Santa Rosa Rancho;

Thence northeasterly along the northwesterly boundary of the Santa Rosa Rancho to a point on the easterly line of Section 5, T7S, R4W, S.B.B. & M.;

Thence northerly along section lines to a point on the southwesterly boundary of Rancho La Laguna;

Thence southeasterly along the southwesterly boundary of Rancho La Laguna to the southwest corner of Lot 2, Block K, as shown on the map of Blocks K, L, and M, Elisnore, California, as filed in Book 4, page 174 of maps in the Office of the Recorder of San Diego County, California;

Thence northeasterly along the northwesterly line of Lot 2 to the northwest corner thereof;

Thence southeasterly along the northeasterly line of Lot 2 to a point of intersection with the southwesterly prolongation of the southeasterly line of Corydon Street, as shown on the map of Blocks K, L, and M;

Thence northeasterly along the southwesterly prolongation and along the southeasterly line of Corydon Street, as shown on the map of Blocks K, L, and M, to a point on the northeasterly line of Palomar Street, as shown on the map of Sedco Tract #1, as filed in Book 10, pages 58 to 75 of maps in the Office of the Recorder of Riverside County, California;

Thence southeasterly along the northeasterly line of Palomar Street and along the northeasterly line of Palomar Street, as shown on the map of Blocks K, L, and M, to a point on the northwesterly line of Wesley Street, as shown on the map of Blocks K, L, and M;

Thence northeasterly along the northwesterly line of Wesley Street to a point on the northeasterly boundary of the map of Blocks K, L, and M, the point also being on the northeasterly boundary of Rancho La Laguna;

Thence southeasterly along the northeasterly boundary of Rancho

La Laguna to a point on the southerly line of Section 27, T6S, R4W, S.B.B. & M.;

Thence easterly along section lines to the southwest corner of Section 26, T6S, R4W, S.B.B. & M.;

Thence north 1 mile to the northwest corner of Section 26, T6S, R4W, S.B.B. & M.;

Thence east 1 mile to the southwest corner of Section 24, T6S, R4W, S.B.B. & M.;

Thence north 1 mile to the northwest corner of Section 24, T6S, R4W, S.B.B. & M.;

Thence east 1 mile to the northeast corner of Section 24, T6S, R4W, S.B.B. & M.;

Thence south 1 mile to the northwest corner of Section 30, T6S, R3W, S.B.B. & M.;

Thence easterly along section lines to the northeast corner of Section 25, T6S, R2W, S.B.B. & M.;

Thence southerly along section lines to the southwest corner of Section 31, T6S, R1W, S.B.B. & M.;

Thence easterly along section lines to the southeast corner of Section 36, said township and range;

Thence northerly along the section lines to the northwest corner of Section 6, T7S, R1E, S.B.B. & M.;

Thence easterly along section lines to the northeast corner of Section 1, T7S, R3E, S.B.B. & M.;

Thence southerly along the section line to the northwest corner of Section 6, T7S, R4E, S.B.B. & M.;

Thence easterly along section lines to the northeast corner of Section 1, said township and range;

Thence southerly along section lines to the northwest corner of Section 19, T7S, R5E, S.B.B. & M.;

Thence easterly along section lines to the northeast corner of Section 24, said township and range;

Thence southerly along section lines to the point of beginning.

SEC. 13. Section 9.1 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 9.1. Whenever, in the opinion of the board of supervisors of the district, the public interest or convenience may require, it may order any work of improvement which it is authorized to undertake to be done in accordance with the procedures and in pursuance of either the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code) or the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code), and to be financed through the sale of bonds pursuant to the Improvement Act of 1911 or the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

The following terms as used in those acts shall have the following meanings:

- (a) "Municipality" or "city" means the district.
- (b) "City Council" or "legislative body" means the board of supervisors of the district.
- (c) "City treasurer" or "treasurer" means the county treasurer of the County of Riverside.
- (d) "Mayor" means the chairperson of the board of supervisors.
- (e) "Clerk" means the clerk or secretary of the board of supervisors.
- (f) "Council chambers" means the place where the regular meetings of the board of supervisors are held.
- (g) "Superintendent of streets" or "street superintendent" and "city engineer" mean the chief engineer of the district or any other person appointed by the board of supervisors to perform their duties.
- (h) "Tax collector" means the tax collector of the County of Riverside.
- (i) "Assessor" means the county assessor of the County of Riverside.
- (j) "Auditor" means the county auditor of the County of Riverside.
- (k) All other words and terms in those acts relating to municipal officers and matters refer to the corresponding officers of the district and matters under this act.

SEC. 14. Section 19 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is amended to read:

Sec. 19. (1) Whenever the board of supervisors of the district determines that a bonded indebtedness should be incurred to pay the cost of any work or improvement as herein authorized in any zone, the board may by resolution, passed by unanimous vote of the entire board, determine and declare the respective amounts of bonds in order to raise the amount of money necessary for each work or improvement, and the denomination and rate of interest of the bonds. The board shall cause a copy of the resolution, duly certified by the county clerk to be filed for record in the office of the recorder of the County of Riverside within five days after its issuance. From and after the filing, the board is vested with the authority to proceed with the bond election.

(2) After the filing for record of the resolution specified in subdivision (1), the board of supervisors may call a special election in the zone or zones at which shall be submitted to the qualified electors thereof the question, whether or not bonds shall be issued in the amount or amounts determined in the resolution for the purpose or purposes stated therein. The bonds, and the interest thereon, shall be paid from the revenue derived from annual taxes or assessments levied upon the property taxable by the district situated within the zone or zones, and all the taxable property shall be and remain liable to be taxed for those payments as provided in this act.

(3) The board of supervisors shall call the special election by

resolution and shall submit to the qualified electors of the zone or zones the proposition of incurring a bonded debt in the zone or zones in the amount and for the purposes stated in the resolution. The proposition shall recite the objects and purposes for which the indebtedness is proposed to be incurred, shall be sufficient to give a brief, general description of the objects and purposes, and shall refer to the resolution adopted by the board of supervisors and on file for particulars. The board of supervisors shall also state, in the resolution, the estimated cost of the proposed work and improvements, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on the indebtedness, and shall fix the date on which the special election shall be held, and the form and contents of the ballot to be used. The rate of interest to be paid on the indebtedness shall in no event exceed 10 percent per annum. For purposes of the election, the board of supervisors shall, in the resolution, establish election precincts by consolidating the precincts established for general election precincts in the district to a number not exceeding six for the bond election, and shall designate a polling place and appoint one inspector, one judge, and one clerk for each of the bond election precincts.

In all particulars not recited in the resolution, the election shall be held as nearly as practicable in conformity with the general election laws of the state.

The board of supervisors shall cause a map or maps to be prepared covering a general description of the work to be done, which map shall show the location of the proposed works and improvements, and shall cause the map to be posted in a prominent place in the county courthouse for public inspection for at least 30 days before the date fixed for the election.

The resolution calling for the election shall, prior to the date set for the election, be published in a newspaper of general circulation circulated in the zone or zones for six consecutive times if published in a daily newspaper of general circulation printed and published in the zone or zones, or two times if published in a weekly newspaper of general circulation printed and published in the zone or zones. The last publication of the resolution shall be at least 14 days before the election, and if there is no such newspaper, then the resolution shall be posted in five public places in the zone or zones for at least 30 days before the date fixed for the election. No other notice of the election need be given.

Any defect or irregularity in the proceedings prior to the calling of the election shall not affect the validity of the bonds. If at the election two-thirds of the votes cast are in favor of incurring the bonded indebtedness, the bonds of the district, zone, or zones for the amounts stated in the proceedings shall be issued and sold as provided in this act.

SEC. 15. Section 20 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is amended to read:

Sec. 20. The board of supervisors shall, subject to the provisions of this act, prescribe by resolution the form of the bonds, which shall include a designation of the participating zones, and of the interest coupons attached thereto. The bonds shall be payable annually or semiannually, at the discretion of the board, each and every year on a day or date, and at a place to be fixed by the board, and designated in the bonds, together with the interest on all sums unpaid on that date until all of the indebtedness has been paid.

The payment of the first installment of principal may be deferred for a period of not more than five years from the date of each issue or series of bonds.

The board may divide the principal amount of any issue into two or more series and fix different dates for the bonds of each series. The bonds of one series may be made payable at different times from those of any other series. The maturity of each series shall comply with this section. The board may fix a date, not more than five years from the date of issuance, for the earliest maturity of each issue or series of bonds. The final maturity date shall not exceed 40 years from the time of incurring the indebtedness evidenced by each issue or series of bonds. The board may provide for call and redemption of all, or any part, of any issue or series of bonds before maturity at prices determined by the board. No bond shall be subject to call or redemption prior to maturity unless it contains a recital to that effect.

The bonds shall be issued in the denominations as the board determines, and shall be payable on the dates and at the place fixed in those bonds, and with interest at the rate specified in those bonds, which rate shall not be in excess of 10 percent per annum, and shall be made payable annually or semiannually, except that interest for the first year may be payable at the end of that year. The bonds shall be numbered consecutively and shall be signed by the chairperson of the board, and countersigned by the auditor of the district, and the seal of the district shall be affixed thereto. Either or both of the signatures may be printed, engraved, or lithographed. The interest coupons of the bonds shall be numbered consecutively and signed by the auditor by his or her printed, engraved, or lithographed signature. In case any officer whose signatures or countersignatures appear on the bonds or coupons ceases to be that officer before the delivery of the bonds to the purchaser, the bonds and coupons and signatures or countersignatures are nevertheless valid and sufficient for all purposes as if the officer had remained in office until the delivery of the bonds.

SEC. 16. Section 21 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is amended to read:

Sec. 21. The board of supervisors may issue and sell the bonds of the district zones previously authorized at par value or at a discount of not more than 10 percent below par value, and the proceeds of the sale of the bonds shall be placed in the treasury of the County of Riverside to the credit of the district for the uses and purposes of the

zone voting the bonds; and the proper record of the transactions shall be placed upon the books of the county treasurer, and the respective zone funds shall be applied exclusively to the purposes and objects mentioned in the resolution calling the special bond election, subject to the provisions in this act. Payments from the zone fund shall be made upon demands prepared, presented, allowed, and audited in the same manner as demands upon the funds of the County of Riverside.

SEC. 17. Section 25.1 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 25.1. The board of supervisors may, upon complying with the requirements of Chapter 6.1 (commencing with Section 54701) of Part 1 of Division 2 of Title 5 of the Government Code, including obtaining the approval of the voters as required by Section 54717 of the Government Code, levy a benefit assessment within any zone or an improvement district of the district to pay principal and interest on bonds of the district, the zone or zones, or improvement district which are issued to finance the cost of any work of improvement, as authorized in this act, in the zone or zones or improvement district or the improvement of any existing facility therein, if the issuance of the bonds has also been approved by the voters at the same election at which the levying of the benefit assessment was approved. The bonds shall be authorized and issued as provided in Sections 19, 20, 21, and 22, and in the case of bonds for an improvement district, Section 23.1, of this act, except that, notwithstanding Section 19, if at the election a majority of the votes cast are in favor of incurring the bonded indebtedness, the bonds may be issued for the amount stated in the proposition voted upon. The proposition regarding the issuance and sale of the bonds may be combined with the proposition regarding the benefit assessment into a single proposition on the ballot. An improvement district of the district is an "area of benefit" for purposes of Section 54715 of the Government Code.

SEC. 18. Section 25.2 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 25.2. In the case of a benefit assessment for the payment of principal and interest on the bonds of the district, a zone or zones, or an improvement district, the annual aggregate amount of the assessment shall, notwithstanding paragraph (2) of subdivision (a) of Section 54711 of the Government Code, not exceed the amount necessary to pay the interest on the bonds for the year and the portion of the principal thereof that will be due during the year.

After issuing any such bonds, the board of supervisors shall levy a benefit assessment pursuant to Chapter 6.1 (commencing with Section 54071) of Part 1 of Division 2 of Title 5 of the Government Code each year upon all taxable property in the zone or zones or improvement district of issuance sufficient to pay the interest upon the bonds for the year and the portion of the principal thereof which



will be due during the year.

SEC. 19. Section 25.3 is added to the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), to read:

Sec. 25.3. Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code is applicable to the bonds of the district, a zone, or improvement district and to the interest rate thereon.

SEC. 20. Section 26 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is repealed.

SEC. 21. Section 29 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is amended to read:

Sec. 29. All contracts for any improvement or unit of work, except as otherwise provided in this act estimated to cost in excess of fifteen thousand dollars (\$15,000) shall be let to the lowest responsible bidder in the manner provided in this act. The board of supervisors of the district shall advertise by three insertions in a daily newspaper of general circulation or two insertions in a weekly newspaper of general circulation printed and published in the district inviting sealed proposals for the construction of the improvement or work before any contract shall be made therefor, and may let by contract separately any part of the work or improvement. The board shall require the successful bidder to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material in connection therewith. The bonds shall contain the terms and conditions set forth in Sections 10223 and 10224 of the Public Contract Code and Section 3248 of the Civil Code and be subject to those sections. The board shall also have the right to reject any and all bids. If all proposals are rejected or no proposals are received pursuant to advertisement therefor, or where the estimated cost of the work does not exceed the sum of fifteen thousand dollars (\$15,000), or the work consists of channel protection, or maintenance work, or emergency work when necessary in order to protect life and property from impending flood damage, the board of supervisors may, without advertising for bids therefor, have the work done by force account. The district shall have the power to purchase in the open market, without advertising for bids therefor, materials and supplies for use in any improvement or unit of work either under contract or by force account.

SEC. 22. The territory annexed to zone one of the Riverside County Flood Control and Water Conservation District by the enactment of Section 3 of the Riverside County Flood Control and Water Conservation District Act by Section 2 of this act shall not be liable for the payment of principal and interest on the outstanding bonds on that zone and shall not be subject to the payment of taxes

or assessments levied to provide for the payment thereof.

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## CHAPTER 277

An act to amend Section 740 of the Insurance Code, relating to health insurance.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 740 of the Insurance Code is amended to read:

740. (a) Notwithstanding any other provision of law, and except as provided herein, any person or other entity which provides coverage in this state for medical, surgical, chiropractic, physical therapy, speech pathology, audiology, professional mental health, dental, hospital, or optometric expenses, whether such coverage is by direct payment, reimbursement, or otherwise, shall be presumed to be subject to the jurisdiction of the department unless the person or other entity shows that while providing such services it is subject to the jurisdiction of another agency of this or another state or the federal government.

(b) A person or entity may show that it is subject to the jurisdiction of another agency of this or another state or the federal government by providing to the commissioner the appropriate certificate or license issued by the other governmental agency which permits or qualifies it to provide those services for which it is licensed or certificated.

(c) Any person or entity which is unable to show that it is subject to the jurisdiction of another agency of this or another state or the federal government, shall submit to an examination by the commissioner to determine the organization and solvency of the person or the entity, and to determine whether or not such person or entity is in compliance with the applicable provisions of this code, and shall be required to obtain a certificate of authority to do business in California and be required to meet all appropriate reserve, surplus, capital, and other necessary requirements imposed by this code for all insurers.

(d) Any person or entity unable to show that it is subject to the jurisdiction of another agency of this or another state or the federal government shall be subject to all appropriate provisions of this code regarding the conduct of its business.

(e) The department shall prepare and maintain for public inspection a list of those persons or entities described in subdivision (a) which are not subject to the jurisdiction of another agency of this or another state or the federal government and which the

department knows to be operating in this state. There shall be no liability of any kind on the part of the state, the department, and its employees for the accuracy of such list or for any comments made with respect to it.

(f) Any administrator licensed by the department who advertises or administers coverage in this state described in subdivision (a), which is provided by any person or entity described in subdivision (c), and where such coverage does not meet all pertinent requirements specified in this code and which is not provided or completely underwritten, insured or otherwise fully covered by an admitted life or disability insurer, hospital service plan or health care service plan, shall advise and disclose to any purchaser, prospective purchaser, covered person or entity, and any production agency licensed by the department involved in the transaction, all financial and operational information relative to the content and scope of the plan and, specifically, as to the lack of insurance or other coverage.

Any production agency obtaining knowledge of any coverage relative to the content and scope of a hospital service plan or health care service plan, as required under this subdivision, shall advise and disclose to any purchaser, prospective purchaser, covered person or entity, such knowledge regarding the content and scope of the plan and, specifically, as to the lack of insurance by an admitted carrier or other qualified plan.

(g) A health care service plan, as defined in Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, shall not be subject to the provisions of this section.

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## CHAPTER 278

An act to amend Section 383.5 of the Insurance Code, relating to insurance.

[Approved by Governor July 14, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 383.5 of the Insurance Code is amended to read:

383.5. "Document," as used in this section, means a policy or a certificate evidencing insurance under a master policy. Such policy or certificate shall conform to Section 381 and shall segregate the premiums charged for each risk insured against. Such a certificate, in lieu of specifying the risks insured against, may designate them by name or by description. "Document" also includes the applicable policy form and a subsequently issued declarations page conforming to Section 381 or an endorsement.

"Owner" as used in this section means any person who is named

as an insured in such contract of insurance or document, or in a loss payable clause therein, and, whether or not he is named therein, the vendee, pledgor, or chattel mortgagor of a motor vehicle where insurance contracts subject to this section are procured with respect to the motor vehicle by or on behalf of either party to the purchase, pledge, or mortgage.

Every contract of insurance against hazards incident to ownership, maintenance, operation and use of motor vehicles shall be embodied in a document.

The original or true copy of such document shall be delivered to each owner. Where it is executed by an insurer, the insurer shall deliver the original or a true copy:

(a) To the agent or broker who negotiated the insurance, for delivery to each owner of the motor vehicle, or

(b) To each owner of the motor vehicle.

Any owner whose interest in the insured vehicle is for security purposes only may by written notice to the insurer waive delivery of such policy and in lieu thereof there shall be delivered to such owner a written certificate of insurance setting forth in brief form the matters specified in Section 381.

The agent or broker receiving such original or copy shall deliver one to each owner. Where coverage subject to this section is evidenced by a document executed by an agent licensed under Chapter 5 of Part 2 of this division, and not by an insurer, the agent and not the insurer is responsible for delivery of the original or a true copy to each owner.

The licenses of any agent or broker found by the commissioner after hearing to have violated this section may be suspended or revoked in accordance with the procedure provided in Article 13 of Chapter 5 of Part 2 of this division, or the certificate of authority of any insurer found by the commissioner after hearing to have violated this section may be suspended or revoked in accordance with the procedure provided in Section 704.

The purpose of this section is to prevent fraud or mistake in connection with the transaction of insurance covering motor vehicles and in furtherance of that purpose the commissioner may make reasonable rules and regulations therefor. Such rules and regulations shall be adopted, amended or repealed in accordance with the procedure provided in Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

## CHAPTER 279

An act to add Sections 285.2, 285.3, and 285.4 to the Code of Civil Procedure, relating to attorneys.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 285.2 is added to the Code of Civil Procedure, to read:

285.2. If a reduction in public funding for legal service materially impairs a legal service agency attorney's ability to represent an indigent client, the court, on its own motion or on the motion of either the client or attorney, shall permit the withdrawal of such attorney upon a showing that all of the following apply:

(a) There are not adequate public funds to continue the effective representation of the indigent client.

(b) A good faith effort was made to find alternate representation for such client.

(c) All reasonable steps to reduce the legal prejudice to the client have been taken.

A showing of indigency of the client, in and of itself, will not be deemed sufficient cause to deny the application for withdrawal.

SEC. 2. Section 285.3 is added to the Code of Civil Procedure, to read:

285.3. The court, upon the granting of a motion for withdrawal pursuant to Section 285.2, may toll the running of any statute of limitations, filing requirement, statute providing for mandatory dismissal, notice of appeal, or discovery requirement, for a period not to exceed 90 days, on the court's own motion or on motion of any party or attorney, when the court finds that tolling is required to avoid legal prejudice caused by the withdrawal of the legal service agency attorney.

SEC. 3. Section 285.4 is added to the Code of Civil Procedure, to read:

285.4. The court, upon the granting of a motion for withdrawal pursuant to Section 285.2, may appoint any member of the bar or any law firm or professional law corporation to represent the indigent client without compensation, upon a showing of good cause. Nothing herein shall preclude the appointed attorney from recovering any attorneys' fees and costs to which the client may be entitled by law. In determining the existence of good cause, the court may consider, but is not limited to, the following factors:

(a) The probable merit of the client's claim.

(b) The client's financial ability to pay for legal services.

(c) The availability of alternative legal representation.

(d) The need for legal representation to avoid irreparable legal

prejudice to the indigent client.

(e) The ability of appointed counsel to effectively represent the indigent client.

(f) Present and recent pro bono work of the appointed attorney, law firm or private law corporation.

(g) The ability of the indigent client to represent himself.

(h) The workload of the appointed attorney.

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## CHAPTER 280

An act to add Section 5465.5 to the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5465.5 is added to the Welfare and Institutions Code, to read:

5465.5. The types of programs serving children and adolescents referred to in Section 5465 are those described in this section. The programs shall meet the criteria set forth in this section and in Sections 5458 and 5465. Nothing in this section shall be construed to waive any licensure requirement pursuant to the California Community Care Facilities Act (Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code) for any community care facility.

(a) A program for a short-term crisis residential alternative to hospitalization. The services in this program shall include, but not be limited to, provision of direct services to the family, specific linkages with the child's educational system and community educational resources, and development of a support system, including school and treatment referrals. The program shall be designed for children and adolescents who would otherwise be referred to a psychiatric inpatient unit. It shall be a 24-hour program, with an emphasis on stabilization and appropriate referral for further treatment or support services.

(b) A long-term residential treatment program. This program shall have an educational orientation and shall reflect the principle that education be available in the least restrictive environment. The program shall serve children and adolescents requiring an intensive support system for a period of six to 18 months, who would otherwise be at risk of periodic hospitalization. The program shall provide coordinated intervention with the child, family unit, and community education resources, and shall include aftercare services to the child and family unit to solidify gains and develop skills in linking with community services.

(c) A transitional residential program. This program may include group homes, foster homes, or homes adapted for preparing adolescents approaching majority to adjust to emancipation.

The services in this program shall include, but not be limited to, coordination with community education resources to meet the child's individual need, family services designed to strengthen the family unity of which the child is a part, and aftercare services to reinforce the gains brought about by the program and assist in community adjustment.

(d) A program for a semisupervised, independent but structured living arrangement. This program shall apply to older adolescents, who are either emancipated or who would not be returning home from out-of-home placement. The semisupervised living arrangement shall require structured living designed to impart those skills necessary for successful independent living as described in subdivision (d) of Section 5458. Adult supervision shall be available 24-hours per day.

The services shall include, but not be limited to, prevocational and vocational linkages in the community, financial planning which may include rent subsidy assistance, and development of a social support system.

(e) A day treatment program. This program shall provide services to children and adolescents who are residing in their own homes or in out-of-home placements. School sites or other noninstitutional settings are preferred for this program. A day treatment program for children shall offer a multidisciplinary approach and shall incorporate education, recreation, and rehabilitation activities. Services provided shall be age appropriate and age specific intensive remedial programs, including education, counselling, socialization, and recreational services. To the extent feasible, the client's family shall be included in these activities.

Day treatment services shall be designed to provide an alternative to residential placement, to provide preventive services in the early stages of family breakdown, and to reduce the need for more costly and lengthy treatment services. Aftercare services shall be available to maintain gains and prevent family regression.

(f) A socialization center program. This program shall provide a multidisciplinary approach and seek funding from a variety of agencies responsible for providing services, including, but not limited to, school districts and recreation departments. The services shall promote community acceptance of clients and the integration of their family units. Family involvement in planning activities and developing support system linkages shall be encouraged.

(g) An in-home treatment program. This program shall be designed to strengthen the child's ties with the family unit and with the greater community without removing the child from his or her home environment and community educational system.

Services provided shall include, but not be limited to, crisis intervention, direct family services, development of specific

treatment plans, development of ongoing plans utilizing available resources in the community educational system, and special programs which act as a support system for the child and family unit.

(h) Augmentation of crisis intervention program. This program shall provide specifically for evaluation, diagnosis, and disposition planning for children and adolescents in psychiatric crisis.

(i) Case management services program. This program shall emphasize prevention services and shall be designed to divert to noninstitutional programs children and adolescents at risk of involvement with traditional mental health institutions.

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## CHAPTER 281

An act to amend Section 87833 of the Education Code, relating to education.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 87833 of the Education Code is amended to read:

87833. Except as provided in Section 87834, the governing board of each community college district, when drawing an order for the salary payment due to a certificated employee of the district, shall with or without charge reduce the order by the amount which the board has been requested in a revocable written authorization by the employee to deduct for the purpose of paying the dues of the employee for membership in any local professional organization, or in any statewide professional organization, or in any other professional organization affiliated or otherwise connected with a statewide professional organization which authorizes the statewide organization to receive membership dues on its behalf and for the purpose of paying his or her pro rata share of the costs incurred by the district in making the deduction. No charge shall exceed the actual cost to the district of the dues deduction. Any revocation of a written authorization shall be in writing and shall be effective commencing with the next pay period.

Unless otherwise provided in an agreement negotiated pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, the governing board shall, no later than the 10th day of each pay period for certificated employees, draw its order upon the funds of the district in favor of the organization designated by the employee for an amount equal to the total of the dues deductions made with respect to that organization for the previous pay period and shall transmit the total amount to that organization no later than the 15th day of each pay period for



certificated employees. When timely transmittal of dues payments by a county is necessary for a community college district to comply with the provisions of this section, the county shall act in a timely manner. If the employees of a district do not authorize the board to make a deduction to pay their pro rata share of the costs of making deductions for the payment of dues, the board shall deduct from the amount transmitted to the organization on whose account the dues payments were deducted the actual costs of making the deduction.

The revocable written authorization shall remain in effect until expressly revoked in writing by the employee. Whenever there is a change in the amount required for the payment to the organization, the employee organization shall provide the employee with adequate and necessary data on the change at a time sufficiently prior to the effective date of the change to allow the employee an opportunity to revoke the written authorization, if desired. The employee organization shall provide the public school employer with notification of the change at a time sufficiently prior to the effective date of the change to allow the employer an opportunity to make the necessary adjustments and with a copy of the notification of the change which has been sent to all concerned employees.

The governing board shall not require the completion of a new deduction authorization when a dues change has been effected or at any other time without the express approval of the concerned employee organization.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

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## CHAPTER 282

An act to amend Section 69506.5 of the Education Code, and to add Section 19009.5 to the Welfare and Institutions Code, relating to postsecondary education.

[Approved by Governor July 15, 1983 Filed with  
Secretary of State July 15, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 69506.5 of the Education Code is amended to read:

69506.5. Notwithstanding Section 69506, neither the Student Aid Commission nor any public postsecondary educational institution shall consider the income of an applicant's parents in the determination of an applicant's financial need if the applicant meets

one of the following requirements:

(a) Has been determined to be self-supporting prior to June 30, 1977, according to the procedures of the California postsecondary educational institution from which he or she is currently receiving need-based, state-funded financial aid.

(b) Has been a ward of the court, in which case appropriate court documents shall be submitted.

(c) Is an orphan and will not be claimed as an exemption for state and federal income tax purposes by anyone other than self or spouse for the calendar years aid is received.

(d) Has been a part of an extremely adverse home situation which is documented and supported by school or responsible community personnel such as a minister or social worker, which situation has led to estrangement from the family under circumstances where the student has not received a contribution in cash or kind from his or her family for the preceding 12 months. Public postsecondary educational institutions and the Student Aid Commission shall develop a procedure to allow students to appeal decisions on whether the student has been part of an adverse home situation.

(e) Is 30 years of age or older, unless there is substantial evidence of parental support of the applicant.

(f) Is 21 years of age or older and is a veteran who has been discharged under honorable conditions from the Armed Forces of the United States after serving in active duty for two years or more, except active duty for training, unless there is substantial evidence of parental support of the applicant.

(g) Is a veteran who was discharged or released from the Armed Forces of the United States due to a service-connected disability regardless of age or length of time served.

Nothing in this section shall exempt any applicant from submitting parental income information pursuant to Section 69672, or from submitting this information solely because the applicant comes within the provisions of Section 211 of the Civil Code.

SEC. 2. Section 19009.5 is added to the Welfare and Institutions Code, to read:

19009.5. No person shall have his or her rehabilitation services reduced due to the receipt of any private grants, scholarships, or awards, provided for the purpose of postsecondary education, except insofar as federal law may require service reductions due to these scholarships, grants, or awards when provided by postsecondary institutions.

SEC. 3. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 4. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

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## CHAPTER 283

An act to amend Section 24102 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 24102 of the Education Code is amended to read:

24102. Allowances payable under Section 24100 shall be reduced by an amount equal to the unmodified benefits paid or payable under other public systems for the same impairment or impairments that qualify the member for a disability allowance.

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## CHAPTER 284

An act to amend, repeal and add Section 868.7 to the Penal Code, relating to preliminary hearings.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 868.7 of the Penal Code is amended to read:

868.7. (a) Notwithstanding any other provision of law, the magistrate may, upon motion of the prosecutor, close the examination in the manner described in Section 868 during the testimony of a witness:

(1) Who is the complaining victim of a sex offense, where testimony before the general public would be likely to cause serious psychological harm to the witness and where no alternative procedures, including, but not limited to, video taped deposition or contemporaneous examination in another place communicated to the courtroom by means of closed-circuit television, are available to avoid the perceived harm.

(2) Whose life would be subject to a substantial risk in appearing before the general public, and where no alternative security measures, including, but not limited to, efforts to conceal his or her

features or physical description, searches of members of the public attending the examination, or the temporary exclusion of other actual or potential witnesses, would be adequate to minimize the perceived threat.

(b) In any case where public access to the courtroom is restricted during the examination of a witness pursuant to this section, a transcript of the testimony of that witness shall be made available to the public as soon as is practicable.

The provisions of this section shall remain in effect only until January 1, 1987, and as of such date is repealed, unless a later enacted statute, which is chaptered on or before January 1, 1987, deletes or extends such date.

SEC. 2. Section 868.7 is added to the Penal Code, to read:

868.7. (a) Notwithstanding any other provision of law, the magistrate may, upon motion of the prosecutor, close the examination in the manner described in Section 868 during the testimony of a witness:

(1) Who is a minor and is the complaining victim of a sex offense, where testimony before the general public would be likely to cause serious psychological harm to the witness and where no alternative procedures, including, but not limited to, video taped deposition or contemporaneous examination in another place communicated to the courtroom by means of closed-circuit television, are available to avoid the perceived harm.

(2) Whose life would be subject to a substantial risk in appearing before the general public, and where no alternative security measures, including, but not limited to, efforts to conceal his or her features or physical description, searches of members of the public attending the examination, or the temporary exclusion of other actual or potential witnesses, would be adequate to minimize the perceived threat.

(b) In any case where public access to the courtroom is restricted during the examination of a witness pursuant to this section, a transcript of the testimony of such witness shall be made available to the public as soon as is practicable.

This section shall become operative on January 1, 1987.

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## CHAPTER 285

An act to amend Section 13000 of the Financial Code, relating to pension and retirement funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1983 Filed with  
Secretary of State July 15, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 13000 of the Financial Code is amended to read:

13000. Notwithstanding any other provision of law, the administering body of any public pension or retirement fund shall give first priority to investing not less than 25 percent of all funds which become available in a fiscal year for new investments, in the following:

(a) Obligations secured by a lien or charge solely on residential realty, including rental housing, located in the state and on the security of which, commercial banks are permitted to make loans pursuant to Article 2 (commencing with Section 1220) of Chapter 10 of Division 1.

(b) Securities representing a beneficial interest in a pool of obligations secured by a lien or charge solely on residential realty located in the state.

(c) Certificates of deposit issued by savings and loan associations, if the savings and loan associations agree to make loans, or to fund tax-exempt notes or bonds issued by housing authorities, cities, or counties, on residential realty located in the state, including rental housing, in an amount equal to the amount of the deposit.

Funds subject to investment pursuant to this section include all moneys received as employer and member contributions, investment income, and the proceeds of redemption of debt securities and instruments with a maturity in excess of one year, reduced by the amount of benefit payments and withdrawals occurring during the fiscal year. In computing the amount of investment pursuant to this section, a dollar for dollar credit shall be given for residential realty investments described in this section which are contractually agreed to be made by a financial institution from which a public pension or retirement fund (in consideration thereof) purchases other such investments. In computing the amount of investment pursuant to this section, a public pension or retirement fund may elect to include the dollar amount of commitments to purchase mortgages from public revenue bond programs in the year the commitment is given; provided that such election may not exceed one-fifth of the total guideline amount.

Nothing in this division shall be construed to require the acquisition of any instrument or security at less than the market rate.

If the administering body of a fund subject to this section determines during any fiscal year that compliance with this section will result in lower overall earnings for the fund than obtainable from alternative investment opportunities that would provide equal or superior security, including guarantee of yield, the administering authority may substitute such higher yielding investments, to the extent actually available for acquisition, for the investments otherwise specified by this section. Additionally, if (and to the extent that) adherence to the diversification guideline specified in this

section would conflict with its fiduciary obligations in violation of Section 9 of Article I of the California Constitution or Section 10 of Article I of the United States Constitution, or would conflict with any standard for prudent investment of the fund as may be set forth in the California Constitution, the administering body may substitute alternative investments. In such case, the administering authority shall submit its resolution of findings and determinations, together with a description of the type, quantity, and yield of the investments substituted, to the Governor and to the Joint Legislative Audit Committee within 10 days following the conclusion of the fiscal year. Within 30 days thereafter, the Joint Legislative Audit Committee shall transmit the Auditor General's report to the Speaker of the Assembly and to the Senate Rules Committee for transmittal to affected policy committees.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Section 1360.2 of the Financial Code, to which Section 13000 refers, has been repealed, effective January 1, 1983. In order to fulfill the intent of the Legislature in enacting Section 13000, it is necessary for this act to go into immediate effect.

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## CHAPTER 286

An act to add Article 3.5 (commencing with Section 39660) to Chapter 4 of Part 23 of, and Article 3.5 (commencing with Section 81660) to Chapter 3 of Part 49 of, the Education Code, relating to energy management.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Article 3.5 (commencing with Section 39660) is added to Chapter 4 of Part 23 of the Education Code, to read:

### Article 3.5. Energy Management Systems

39660. Any school district or county superintendent of schools may enter into an energy management agreement for energy management systems with any person, firm, corporation, or public agency pursuant to this article. As used in this article, "energy management systems" means solar, energy, or solar and energy management systems.

39661. In determining the lowest responsible bidder for an energy management system, pursuant to Section 20111 of the Public

Contract Code, the governing board of any school district or the county superintendent shall consider the net cost or savings of each system. For the purposes of this section, net cost or savings is defined as the cost of the system to the district or county superintendent, if any, less the projected energy savings to be realized from the energy management system. The governing board or county superintendent may require an independent evaluation of the projected energy savings.

39662. The term of any energy management agreement shall not exceed the estimated useful life of the energy management system, but in no event shall the term exceed 15 years.

SEC. 2. Article 3.5 (commencing with Section 81660) is added to Chapter 3 of Part 49 of the Education Code, to read:

#### Article 3.5. Energy Management Systems

81660. Any community college district may enter into an energy management agreement for energy management systems with any person, firm, corporation, or public agency pursuant to this article. As used in this article, "energy management systems" means solar, energy, or solar and energy management systems.

81661. In determining the lowest responsible bidder for an energy management system, pursuant to Section 81640, the governing board of any community college district shall consider the net cost or savings of each system. For the purposes of this section, net cost or savings is defined as the cost of the system to the district, if any, less the projected energy savings to be realized from the energy management system. The governing board may require an independent evaluation of the projected energy savings.

81662. The term of any energy management agreement shall not exceed the estimated useful life of the energy management system, but in no event shall the term exceed 15 years.

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### CHAPTER 287

An act to amend Section 23774 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 23774 of the Revenue and Taxation Code is amended to read:

23774. (a) Except as provided in subdivision (b), every organization exempt from filing an annual information return by reason of subdivision (a) of Section 23772, may be required to file an

annual statement on or before the 15th day of the fifth calendar month following the close of the income year setting forth in the manner as may be required by the Franchise Tax Board the following information: the name and address of the organization, its major activities, its sources of income, and the section of the Internal Revenue Code under which it is exempt. Organizations other than those described in clause (i) and (iii) of subparagraph (A) of paragraph (2) of subdivision (a) of Section 23772 may also be required by the Franchise Tax Board to furnish information with respect to their gross receipts and their assets.

(b) Every religious organization exempt from filing an annual information return by reason of subdivision (a) of Section 23772, which because of sincerely held religious convictions refuses to file an annual statement as prescribed in subdivision (a), may submit in lieu thereof a notarized statement on its organizational letterhead containing the following information: the name and address of the organization, its major activities, its sources of income, and the section of the Internal Revenue Code under which it is exempt. That information shall be for the sole purpose of verifying the absence of unrelated business income of the organization. The statement shall be submitted on or before the 15th day of the fifth calendar month following the close of the income year.

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## CHAPTER 288

An act to amend Section 888 of, to repeal and add Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 of and to repeal Sections 887 and 888.3 of, the Welfare and Institutions Code, relating to grants and subventions to counties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 887 of the Welfare and Institutions Code is repealed.

SEC. 2. Section 888 of the Welfare and Institutions Code is amended to read:

888. Any county establishing a juvenile home, ranch, or camp under the provisions of this article may, by mutual agreement, accept children committed to that home, ranch, or camp by the juvenile court of another county in the state. Two or more counties may, by mutual agreement, establish juvenile homes or camps, and the rights granted and duties imposed by this article shall devolve upon those counties acting jointly. The provisions of this article shall not apply to any juvenile hall.



SEC. 3. Section 888.3 of the Welfare and Institutions Code is repealed.

SEC. 4. Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code is repealed.

SEC. 5. Article 7 (commencing with Section 1805) is added to Chapter 1 of Division 2.5 of the Welfare and Institutions Code, to read:

#### Article 7. County Justice System Subvention Program

1805. It is the intent of the Legislature in enacting this article to protect society from crime and delinquency by helping counties maintain and improve local correctional systems and crime and delinquency prevention programs by encouraging the continued availability of county operated juvenile correctional facilities, and by providing funding for services required or authorized by Chapter 1071 of the Statutes of 1976. It is also the intent of the Legislature to reduce the administrative costs of justice system programs, to provide maximum flexibility in meeting local needs in the delivery of services, and to enhance justice system planning and coordination efforts at the state and local levels.

1806. (a) Commencing with fiscal year 1983-84, from any state moneys made available to it for the program, the Department of the Youth Authority shall provide funds to counties for the following purposes:

(1) To develop and maintain local programs for minors and adults who are eligible for commitment to the Department of Corrections or to the Department of the Youth Authority or who are considered to be at a high risk of becoming eligible for commitment.

(2) To maintain local programs for minors who have been found to be persons described by Section 602 and who are committed to a juvenile hall or to a juvenile home, ranch, camp, or forestry camp established pursuant to Sections 850 and 880.

(3) To develop and maintain programs to prevent crime and delinquency by persons who are not wards of the juvenile court or under court ordered probation supervision or serving a sentence as a result of a conviction in a court of criminal jurisdiction.

(4) To maintain programs or services required or authorized by Chapter 1071 of the Statutes of 1976.

(5) To provide funding for necessary county administrative expenses for the county justice system block grant program, including those attributable to the advisory group described in Section 1807.

(b) In utilizing funds for the purposes set forth in subdivision (a), counties shall give primary consideration to programs which are local alternatives to the commitment of minors and adults to the Department of Corrections or the Department of the Youth Authority.

(c) Funds granted to counties under this article shall not be used

for capital construction; for travel outside of the State of California; for law enforcement investigation or apprehension purposes; for the expense of prosecution or defense, except to the extent required by Chapter 1071 of the Statutes of 1976; or for the costs of confinement or detention in a jail, juvenile hall, or other secure lock-up prior to sentencing or disposition by the court.

1807. (a) Each county which intends to apply for a block grant under this article shall establish a county justice system advisory group, or may elect to substitute for that group an existing governmental entity so long as the existing entity includes or is expanded to include the officials and representatives listed in subdivision (b). The county justice system advisory group shall be responsible for making recommendations to the board of supervisors concerning the applicants to be selected for funding under this article.

(b) The county justice system advisory group shall be composed of the chief probation officer; the sheriff; the presiding judge of the superior court; the chairperson of the juvenile justice commission or of the delinquency prevention commission; the district attorney; the public defender; the county superintendent of schools; the county administrative officer; one chief of police of a city above the median population of cities within the county; one chief of police of a city below the median population of cities within the county; one representative of a private agency which provides services to juvenile offenders; one representative of a private agency which provides services to adult offenders; one public member who has never been employed by a law enforcement agency; and one representative from each of three private community-based adult or juvenile assistance agencies involved in the prevention or treatment of delinquency or criminal activity, each appointed by the board of supervisors. The board of supervisors may expand the membership as it deems necessary. Any member of the group may designate an alternate.

(c) In any county lacking two chiefs of police, a substitute member who is a representative of city government shall be selected by the board of supervisors to serve as a member of the group. In any county in which there is more than one eligible person for a position of membership designated in subdivision (b), the board of supervisors shall select one of them as a member of the group. In any county in which a position of membership designated in subdivision (b) does not exist, the board of supervisors shall select, to the extent possible, an equivalent substitute.

(d) In the case where the city and county are a single entity, the appointive members of the county justice system advisory group shall be appointed by the mayor subject to confirmation by the board of supervisors. The county justice system advisory group shall, pursuant to subdivision (f), submit the recommendations to the mayor and the board of supervisors. Any application for funding pursuant to subdivision (a) of Section 1808 shall be approved by the

mayor and by the board of supervisors prior to submission to the Department of the Youth Authority.

(e) The chairperson of the group shall be selected by its members. Reasonable and necessary expenses incurred by the group and its members in the performance of its duties may be paid by the county, and any application for funding under this article may include a provision for payment of these expenses as specified in Section 1806.

(f) The advisory group shall, to the extent necessary to carry out its responsibilities pursuant to subdivision (a), assess county justice system needs, evaluate alternative programs for meeting those needs, and make written recommendations to the board of supervisors regarding those needs. One or more public hearings shall be conducted by the group for purposes of receiving public testimony to assist it in its duties. The group shall consider the testimony in the formulation of its recommendations to the board of supervisors.

(g) The board of supervisors shall conduct one or more public hearings to review and consider the recommendations of the group as a part of its determination of the allocation of the county's block grant.

1808. (a) Applications for a block grant under this article shall be submitted to the Department of the Youth Authority on or before the date specified by the Department of the Youth Authority. The application shall consist of a resolution or order certified by the board of supervisors that the funds will be spent for the purposes set forth in subdivision (a) of Section 1806 and shall specify the amount of funds to be allocated to each of the five program purposes set forth in subdivision (a) of Section 1806.

(b) No county shall be entitled to receive funds under this article until the Department of the Youth Authority certifies to the Controller that the county's application complies with the provisions of subdivision (a).

1809. (a) The funding fiscal year entitlement of each county applying for funding under this article shall be determined in the following manner:

(1) Counties which received funds in the 1982-83 fiscal year under former Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5, as that article existed during fiscal year 1982-83, in an amount determined pursuant to former subdivision (b) of Section 1813, shall receive the same amount in the funding year, as adjusted pursuant to other provisions of this section. To the extent that the total appropriation for purposes of this article differs from the total appropriation for the former article for the 1982-83 fiscal year, the funding year entitlement of counties pursuant to this paragraph shall be increased or decreased proportionally.

(2) Counties which received funds in the 1982-83 fiscal year under former Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5, as that article existed during fiscal year 1982-83, in an amount determined pursuant to former subdivision (a) of Section

1813, shall receive the portion of the total appropriation for the funding year that remains after the counties described in paragraph (1) of subdivision (a) have been allocated their entitlements. The amount each county described in this paragraph shall be entitled to shall be determined on a per capita basis by dividing the total amount available for distribution to the counties by the total population of all such counties. The population data to be used for purposes of this paragraph shall be the estimated population as certified by the Department of Finance for July 1 of the year preceding the funding year; however, no county shall be considered to have a population of less than 20,000 persons.

(b) It is the intent of the Legislature that the amount appropriated for purposes of block grants to counties under this article shall continue during future funding fiscal years at no less than the amount available under former Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 during the 1982-83 fiscal year, as adjusted by the annual cost increase percentages as the Legislature shall determine appropriate for other local assistance programs for which there is no statutory cost-of-living adjustment provision.

(c) The Legislature hereby declares that the annual appropriation for purposes of this article includes all reimbursements for the state-mandated costs of Chapter 1071 of the Statutes of 1976 and that any county electing to apply for funding under this article waives its entitlement under any other provision of law to those state-mandated costs.

(d) Each county's funding year entitlement distribution shall be made quarterly, in advance, in four equal payments. Each county shall, by September 30 of each year, submit a financial statement showing funds expended for each of the five program categories specified by subdivision (a) of Section 1806 during the preceding funding year.

(e) Any block grant funds, including any income earned on the funds, not used for actual expenditures for the purposes set forth in subdivision (a) of Section 1806 during the funding year or one subsequent fiscal year shall revert to the state, except that interest earned on block grant funds is available for use by the county for any purpose. All distributions and expenditures of funds under this article shall be subject to audit by the Controller.

1810. (a) If during any fiscal year in which a county receives funds under this article, the county reduces the capacity of its juvenile homes, ranches, camps, or forestry camps below the capacity for those facilities during fiscal year 1982-83, and if during the 12-month period subsequent to the month of the reduction, or any subsequent 12-month period, there is an increase of commitments from the county's juvenile court to the Department of the Youth Authority above the number of the commitments during the 1982-83 fiscal year, the county's entitlement to funding under this article shall be reduced by an amount equivalent to the actual

cost, as determined by the Department of the Youth Authority, of increasing capacity to the fiscal year 1982-83 level or by an amount equal to the increase in commitments from the juvenile court to the Department of the Youth Authority, whichever is less. However, if within 90 days of receiving notice from the department of the extent of the increase in commitments, the county increases its juvenile home, ranch, camp or forestry camp capacity for the rest of the current fiscal year in an amount equal to the reduction of that capacity, or in an amount equal to the increase in commitments from the juvenile court to the Department of the Youth Authority, whichever is less (except that the increases in capacity shall be in increments of 10 beds to the extent required to meet or surpass the required increase, but not in excess of the amount of the reduction of capacity), the funding shall not be reduced.

Any reduction shall be applied to the next payment or payments to which the county is otherwise entitled.

(b) Any commitment of funds or reduction in entitlement required under subdivision (a) shall not reduce the county's entitlement below the level of funding required to maintain the programs or services mandated by Chapter 1071 of the Statutes of 1976, as approved by the Board of Control for fiscal year 1977-78 and as increased by inflationary factors determined by the Department of Finance.

(c) A county that provides juvenile home, ranch, or camp space to another county pursuant to contract shall not have its entitlement reduced pursuant to this section if it reduces its capacity based on a reduction in the amount of space provided pursuant to contract.

(d) The provisions of this section shall not be applicable to a reduction in capacity occurring as a result of an act of God.

(e) As used in this section, "juvenile home, ranch, camp, or forestry camp" means those facilities as are established pursuant to Article 24 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2.

1811. (a) Except as provided in subdivision (b), any funds which were received by a county pursuant to former Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 but were not expended prior to the repeal of the county justice system subvention program as enacted by Chapter 461 of the Statutes of 1978, shall revert to the state unless those funds are expended within the fiscal year subsequent to the year of distribution.

(b) Notwithstanding any other provision of law, any funds encumbered annually by a county pursuant to former Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5) for capital construction shall revert to the state unless those funds are expended by June 30, 1985.

(c) All expenditures made pursuant to this section shall be in accordance with the provisions of the county justice system subvention program as enacted by Chapter 461 of the Statutes of 1978.

1812. The Department of the Youth Authority shall adopt such rules and regulations as are necessary for the administration of this article.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent the state from being without a plan for distributing criminal justice subvention funds, it is necessary that this act take effect immediately.

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## CHAPTER 289

An act to amend Sections 43.7 and 43.95 of the Civil Code, and to amend Section 1157 of the Evidence Code, relating to dietitians.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 43.7 of the Civil Code is amended to read:

43.7. (a) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any member of a duly appointed mental health professional quality assurance committee that is established in compliance with Sections 4070 and 5624 of the Welfare and Institutions Code, for any act or proceeding undertaken or performed within the scope of the functions of any such committee which is formed to review and evaluate the adequacy, appropriateness, or effectiveness of the care and treatment planned for, or provided to, mental health patients in order to improve quality of care by mental health professionals if such committee member acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he or she acts, and acts in reasonable belief that the action taken by him or her is warranted by the facts known to him or her after such reasonable effort to obtain facts.

(b) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any member of a duly appointed committee of a state or local professional society, or duly appointed member of a committee of a professional staff of a licensed hospital (provided the professional staff operates pursuant to written bylaws that have been approved by the governing board of the hospital), for any act or proceeding undertaken or performed within the scope of the functions of any such committee which is formed to maintain the professional standards of the society established by its bylaws, or any member of any peer review committee whose purpose is to review the quality of medical, dental, dietetic, or

veterinary services rendered by physicians and surgeons, dentists, dental hygienists, podiatrists, registered dietitians, veterinarians, or psychologists which committee is composed chiefly of physicians and surgeons, dentists, dental hygienists, podiatrists, registered dietitians, veterinarians, or psychologists for any act or proceeding undertaken or performed in reviewing the quality of medical, dental, dietetic, or veterinary services rendered by physicians and surgeons, dentists, dental hygienists, podiatrists, registered dietitians, veterinarians, or psychologists or any member of the governing board of a hospital in reviewing the quality of medical services rendered by members of the staff if such committee or board member acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he or she acts, and acts in reasonable belief that the action taken by him or her is warranted by the facts known to him or her after such reasonable effort to obtain facts. "Professional society" includes legal, medical, psychological, dental, dental hygiene, dietetic, accounting, optometric, podiatric, pharmaceutical, chiropractic, physical therapist, veterinary, and engineering organizations having as members at least a majority of the eligible persons or licentiates in the geographic area served by the particular society.

(c) The provisions of this section do not affect the official immunity of an officer or employee of a public corporation.

(d) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any physician and surgeon or podiatrist who is a member of an underwriting committee of an interindemnity or reciprocal or interinsurance exchange or mutual company for any act or proceeding undertaken or performed in evaluating physicians and surgeons or podiatrists for the writing of professional liability insurance, or any act or proceeding undertaken or performed in evaluating physicians and surgeons for the writing of an interindemnity, reciprocal, or interinsurance contract as specified in Section 1280.7 of the Insurance Code, if such evaluating physician or surgeon or podiatrist acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he or she acts, and acts in reasonable belief that the action taken by him or her is warranted by the facts known to him or her after such reasonable effort to obtain such facts.

(e) This section shall not be construed to confer immunity from liability on any quality assurance committee established in compliance with Sections 4070 and 5624 of the Welfare and Institutions Code, professional society, or hospital. In any case in which, but for the enactment of the preceding provisions of this section, a cause of action would arise against a quality assurance committee established in compliance with Sections 4070 and 5624 of the Welfare and Institutions Code, hospital, or professional society, such cause of action shall exist as if the preceding provisions of this section had not been enacted.

SEC. 2. Section 43.95 of the Civil Code is amended to read:

43.95. (a) There shall be no monetary liability on the part of, and

no cause of action for damages shall arise against, any professional society or any nonprofit corporation authorized by such society to operate a referral service, or their agents, employees, or members, for referring any member of the public to any professional member of such society or service, or for acts of negligence or conduct constituting unprofessional conduct committed by a professional to whom a member of the public was referred, so long as any of the foregoing persons or entities has acted without malice, and the referral was made at no cost added to the initial referral fee as part of a public service referral system organized under the auspices of the professional society. Further, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society for providing a telephone information library available for use by the general public without charge, nor against any nonprofit corporation authorized by such society for providing a telephone information library available for use by the general public without charge. "Professional society" includes legal, psychological, architectural, dental, dietetic, accounting, optometric, podiatric, pharmaceutical, chiropractic, and engineering organizations having as members at least a majority of the eligible persons or licentiates in the area served by the particular society, or organizations with referral services which have been authorized by the State Bar of California and operated in accordance with its Minimum Standards for a Lawyer Referral Service in California, and organizations which have been established to provide free assistance or representation to needy patients or clients.

(b) This section shall not apply whenever the professional society, while making a referral to a professional member of such society, fails to disclose the nature of any disciplinary action of which it has actual knowledge taken by a state licensing agency against that professional member. However, there shall be no duty to disclose a disciplinary action in either of the following cases:

(1) Where a disciplinary proceeding results in no disciplinary action being taken against the professional to whom a member of the public was referred; or

(2) Where a period of three years has elapsed since the professional to whom a member of the public was referred has satisfied any terms, conditions, or sanctions imposed upon such professional as disciplinary action; except that if the professional is an attorney, there shall be no time limit on the duty to disclose.

SEC. 3. Section 1157 of the Evidence Code is amended to read:

1157. Neither the proceedings nor the records of organized committees of medical, medical-dental, registered dietitian, or veterinary staffs in hospitals having the responsibility of evaluation and improvement of the quality of care rendered in the hospital or medical or dental review or dental hygienist review or chiropractic review or veterinary review or registered dietitian review committees of local medical, dental, dental hygienist, dietetic, veterinary, or chiropractic societies shall be subject to discovery.



Except as hereinafter provided, no person in attendance at a meeting of any such committee shall be required to testify as to what transpired thereat. The prohibition relating to discovery or testimony shall not apply to the statements made by any person in attendance at such a meeting who is a party to an action or proceeding the subject matter of which was reviewed at such meeting, or to any person requesting hospital staff privileges, or in any action against an insurance carrier alleging bad faith by the carrier in refusing to accept a settlement offer within the policy limits.

The prohibitions contained in this section shall not apply to medical, dental, dental hygienist, dietetic, veterinary or chiropractic society committees that exceed 10 percent of the membership of the society, nor to any such committee if any person serves upon the committee when his own conduct or practice is being reviewed.

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## CHAPTER 290

An act to add Section 667 to the Probate Code, relating to probate law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 667 is added to the Probate Code, to read:

667. Nothing in this chapter terminates or otherwise affects a declaration of homestead by, or for the benefits of, a surviving spouse or minor child of the decedent with respect to the community, quasi-community, or common interest of the surviving spouse or minor child in property in the decedent's estate. This section is declaratory of, and does not constitute a change in, existing law.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify that the declared homestead of a deceased person for the benefit of the spouse or minor child of the deceased is not terminated on the death of the deceased, and to assure that the existing allowable homestead exemption on the residence of the spouse is not invaded by preexisting creditors of the spouse of the deceased, the deceased, or minor children of the deceased at the earliest possible time, it is therefore necessary that this act take effect immediately.

## CHAPTER 291

An act to amend and repeal Section 11343 of the Government Code, and to amend Section 21400 of, and to amend and repeal Sections 440 and 21101 of, the Vehicle Code, relating to transportation.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 11343 of the Government Code as amended by Section 1 of Chapter 749 of the Statutes of 1982, is amended to read:

11343. Every state agency shall:

(a) Transmit to the office for filing with the Secretary of State a certified copy of every regulation adopted by it except one which:

(1) Establishes or fixes rates, prices, or tariffs.

(2) Relates to the use of public works, including streets and highways, when the effect of the regulation is indicated to the public by means of signs or signals or when the order determines uniform standards and specifications for official traffic control devices pursuant to Section 21400 of the Vehicle Code.

(3) Is directed to a specifically named person or to a group of persons and does not apply generally throughout the state.

(4) Is a building standard, as defined in Section 18909 of the Health and Safety Code.

(b) Transmit to the office for filing with the Secretary of State a certified copy of every order of repeal of a regulation required to be filed under subdivision (a).

(c) Deliver to the office, at the time of transmittal for filing a regulation or order of repeal six duplicate copies of the regulation or order of repeal, together with a citation of the authority pursuant to which it or any part thereof was adopted.

(d) Deliver to the office a copy of the notice of proposed action required by Section 11346.4.

(e) Transmit to the State Building Standards Commission for approval a certified copy of every regulation, or order of repeal of a regulation, that is a building standard together with a citation of authority pursuant to which it or any part thereof was adopted, a copy of the notice of proposed action required by Section 11346.4, and any other records prescribed by the State Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code).

SEC. 2. Section 11343 of the Government Code, as added by Section 2 of Chapter 749 of the Statutes of 1982, is repealed.

SEC. 3. Section 440 of the Vehicle Code, as amended by Section 3 of Chapter 749 of the Statutes of 1982, is amended to read:

440. An "official traffic control device" is any sign, signal, marking, or device, consistent with Section 21400, placed or erected by authority of a public body or official having jurisdiction, for the purpose of regulating, warning, or guiding traffic, but does not include islands, curbs, traffic barriers, or other roadway design features.

SEC. 4. Section 440 of the Vehicle Code, as added by Section 4 of Chapter 749 of the Statutes of 1982, is repealed.

SEC. 5. Section 21101 of the Vehicle Code, as amended by Section 5 of Chapter 749 of the Statutes of 1982, is amended to read:

21101. Local authorities, for those highways under their jurisdiction, may adopt rules and regulations by ordinance or resolution on the following matters:

(a) Closing any highway to vehicular traffic when, in the opinion of the legislative body having jurisdiction, the highway is no longer needed for vehicular traffic.

(b) Designating any highway as a through highway and requiring that all vehicles observe official traffic control devices before entering or crossing the highway or designating any intersection as a stop intersection and requiring all vehicles to stop at one or more entrances to the intersection.

(c) Prohibiting the use of particular highways by certain vehicles, except as otherwise provided by the Public Utilities Commission pursuant to Article 2 (commencing with Section 1031) of Chapter 5 of Part 1 of Division 1 of the Public Utilities Code. No ordinance which is adopted pursuant to this subdivision after November 10, 1969, shall apply to any state highway which is included in the National System of Interstate and Defense Highways, except an ordinance which has been approved by the California Transportation Commission by a four-fifths vote.

(d) Closing particular streets during regular school hours for the purpose of conducting automobile driver training programs in the secondary schools and colleges of this state.

(e) Temporarily closing a portion of any street for celebrations, parades, local special events, and other purposes when, in the opinion of local authorities having jurisdiction, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.

(f) Prohibiting entry to, or exit from, or both, from any street by means of islands, curbs, traffic barriers, or other roadway design features to implement the circulation element of a general plan adopted pursuant to Article 6 (commencing with Section 65350) of Chapter 3 of Division 1 of Title 7 of the Government Code. The rules and regulations authorized by this subdivision shall be consistent with the responsibility of local government to provide for the health and safety of its citizens.

SEC. 6. Section 21101 of the Vehicle Code, as added by Section 6 of Chapter 749 of the Statutes of 1982, is repealed.

SEC. 7. Section 21400 of the Vehicle Code is amended to read:

21400. The Department of Transportation shall, after consultation with local agencies and public hearings, adopt rules and regulations prescribing uniform standards and specifications for all official traffic control devices placed pursuant to this code, including, but not limited to, stop signs, yield right-of-way signs, speed restriction signs, railroad warning approach signs, street name signs, lines and markings on the roadway, and stock crossing signs placed pursuant to Section 21364.

The Department of Transportation shall, after notice and public hearing, determine and publicize the specifications for uniform types of warning signs, lights, and devices to be placed upon a highway by any person engaged in performing work which interferes with or endangers the safe movement of traffic upon that highway.

Only those signs, lights, and devices as are provided for in this section shall be placed upon a highway to warn traffic of work which is being performed on the highway.

Any control devices or markings installed upon traffic barriers on or after January 1, 1984, shall conform to the uniform standards and specifications required by this section.

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## CHAPTER 292

An act to add and repeal Section 73112 of the Government Code, relating to small claims courts.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 73112 is added to the Government Code, to read:

73112. Mediators in small claims proceedings in San Bernardino County under Section 116.7 of the Code of Civil Procedure shall receive for their services such fees, not to exceed one hundred dollars (\$100) per day, as may be established by the court upon authorization and approval of the board of supervisors.

This section shall remain in effect only until January 1, 1986, and as of that date is repealed.

## CHAPTER 293

An act to amend Sections 8856, 53531, 53532, and 53541 of the Government Code, and to amend Sections 6461 and 6463 of the Streets and Highways Code, relating to bonds.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 8856 of the Government Code is amended to read:

8856. In providing services under paragraph (2) of subdivision (e) of Section 8855, the commission may charge fees in an amount not to exceed the fees established by the Department of General Services for the provision of contract services. In carrying out all the other purposes of this chapter, the commission may charge fees to the lead underwriter or the purchaser in an amount equal to one-fortieth of 1 percent of the principal amount of the issue, but not to exceed five thousand dollars (\$5,000) for any one issue. However, no fees shall be charged to the lead underwriter or the purchaser for any water district issue which is subject to the jurisdiction of the Districts Securities Commission. Amounts received under this section shall be deposited in the California Debt Advisory Commission Fund, which is hereby created in the State Treasury. All money in the fund shall be available, when appropriated, for expenses of the commission and the Treasurer.

Until such time as fees are received by the advisory commission and appropriated pursuant to this chapter for the expenses of the commission and the Treasurer, the commission may borrow such moneys as may be required for the purpose of meeting necessary expenses of initial organization and operation of the commission.

SEC. 1.5. Section 53531 of the Government Code, as amended by Section 3 of Chapter 1098 of the Statutes of 1981, is amended to read:

53531. Any provision of law specifying the maximum interest rate on bonds to the contrary notwithstanding, bonds may bear interest at a coupon rate or rates as determined by the legislative body in its discretion but not to exceed 12 percent per year payable as permitted by law, unless some higher rate is permitted by law.

This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 2. Section 53531 of the Government Code, as added by Section 4 of Chapter 1098 of the Statutes of 1981, is amended to read:

53531. Any provision of law specifying the maximum interest rate on bonds to the contrary notwithstanding, bonds may bear interest at a coupon rate or rates as determined by the legislative body in its discretion but not to exceed 10 percent per year payable as

permitted by law, unless some higher rate is permitted by law.

This section shall become operative January 1, 1986.

SEC. 3. Section 53532 of the Government Code, as amended by Section 5 of Chapter 1098 of the Statutes of 1981, is amended to read:

53532. The provisions of Section 53531 shall apply only to coupon rates and shall not affect the power of a local agency to sell bonds at a discount below par if permitted by law. Any provision of law permitting bonds to be sold at a discount but specifying a maximum interest yield on bonds sold at a discount to the contrary notwithstanding, the bonds may be sold at a price yielding to the purchaser an effective interest rate of not to exceed 12 percent per year, payable as permitted by law, according to standard tables of bond values.

This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 4. Section 53532 of the Government Code, as added by Section 6 of Chapter 1098 of the Statutes of 1981, is amended to read:

53532. The provisions of Section 53531 shall apply only to coupon rates and shall not affect the power of a local agency to sell bonds at a discount below par if permitted by law. Any provision of law permitting bonds to be sold at a discount but specifying a maximum interest yield on bonds sold at a discount to the contrary notwithstanding, the bonds may be sold at a price yielding to the purchaser an effective interest rate of not to exceed 10 percent per year, payable as permitted by law, according to standard tables of bond values.

This section shall become operative January 1, 1986.

SEC. 5. Section 53541 of the Government Code, as amended by Section 7 of Chapter 1098 of the Statutes of 1981, is amended to read:

53541. Any provision of law requiring an election to the contrary notwithstanding, the legislative body without a vote of the electors may issue bonds of the local agency, zone or improvement district if:

(a) The principal amount of such bonds does not exceed the then unissued balance of the principal amount of bonds of the same type authorized at an election heretofore held in the local agency, or in such zone or improvement district;

(b) The bonds are issued for the same purpose as that for which the unissued bonds were authorized; and

(c) The bonds are issued in accordance with the laws governing the issuance of bonds of the local agency, except for the requirement of a bond election.

Bonds issued pursuant to this section may bear interest at a rate or rates not to exceed 12 percent per year. When bonds are issued pursuant to this section, unissued bonds as referred to in subdivisions (a) and (b) of this section in a principal amount at least equal to the principal amount of bonds issued pursuant to this section, shall be canceled by order of the legislative body and shall not be issued.

This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 6. Section 53541 of the Government Code, as added by Section 8 of Chapter 1098 of the Statutes of 1981, is amended to read:

53541. Any provision of law requiring an election to the contrary notwithstanding, the legislative body without a vote of the electors may issue bonds of the local agency, zone or improvement district if:

(a) The principal amount of such bonds does not exceed the then unissued balance of the principal amount of bonds of the same type authorized at an election heretofore held in the local agency, or in such zone or improvement district;

(b) The bonds are issued for the same purpose as that for which the unissued bonds were authorized; and

(c) The bonds are issued in accordance with the laws governing the issuance of bonds of the local agency, except for the requirement of a bond election.

Bonds issued pursuant to this section may bear interest at a rate or rates not to exceed 10 percent per year. When bonds are issued pursuant to this section, unissued bonds as referred to in subdivisions

(a) and (b) of this section in a principal amount at least equal to the principal amount of bonds issued pursuant to this section, shall be canceled by order of the legislative body and shall not be issued.

This section shall become operative January 1, 1986.

SEC. 7. Section 6461 of the Streets and Highways Code is amended to read:

6461. The bonds shall:

(a) Be payable to the party to whom they issue, or to order.

(b) Be serial bonds.

(c) Bear interest at the rate specified in the resolution of intention to do the work, unless the legislative body determines that a lesser rate of interest is appropriate at the time of advertising for bids, in which case a lesser interest rate may be specified in the bid advertisements.

(d) Have annual principal coupons attached to them, payable in annual order, on the second day of January of every year after the next September 1st following the date of the bond, until all are paid. Each principal coupon shall be for an even annual proportion of the principal of the bond.

(e) Have semiannual interest coupons attached to them.

SEC. 8. Section 6463 of the Streets and Highways Code is amended to read:

6463. The interest shall be payable semiannually, by coupon, on the second days of January and July, respectively, of each year after the date of the bonds. The bonds shall bear the date of the 31st day after the date of recordation of the warrant, whether or not such date falls on a Sunday or holiday. The first interest coupon shall be for interest from the date of the bonds and shall be payable to the holder

thereof on the January 2nd next succeeding the September 1st or the July 2nd next succeeding the March 1st, as the case may be, next following the date of the bond. The rate of interest shall not exceed the amount established pursuant to Section 53531 of the Government Code at the time the legislative body adopts the resolution of intention pursuant to Section 5132.

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## CHAPTER 294

An act to amend Section 120450 of, and to add Section 120450.5 to, the Public Utilities Code, relating to transit.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 120450 of the Public Utilities Code is amended to read:

120450. Violation of any ordinance, rule, or regulation enacted by the board relating to the nonpayment of a fare in any transit facility owned or controlled by the board shall be an infraction punishable by a fine not exceeding fifty dollars (\$50), except that such a violation by a person, after the second conviction under this section, shall be a misdemeanor punishable by a fine not exceeding five hundred dollars (\$500) or by imprisonment not exceeding six months, or by both such fine and imprisonment.

SEC. 2. Section 120450.5 is added to the Public Utilities Code, to read:

120450.5. No person shall give, either orally or in writing, information to a public officer or employee engaged in the enforcement of the provisions of this article when that person knows that the information is false. A violation of this section is an infraction punishable by a fine not to exceed fifty dollars (\$50), except that such a violation by a person, after the second conviction of a violation of this section, shall be a misdemeanor punishable by a fine not to exceed five hundred dollars (\$500) or by imprisonment in the county jail not to exceed six months, or by both that fine and imprisonment.

This section is in addition to, and does not supersede or limit, any and all other remedies, civil or criminal.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.



## CHAPTER 295

An act to add Chapter 12.5 (commencing with Section 54985) to Part 1 of Division 2 of Title 5 of the Government Code, relating to fees.

[Approved by Governor July 15, 1983 Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 12.5 (commencing with Section 54985) is added to Part 1 of Division 2 of Title 5 of the Government Code, to read:

## CHAPTER 12.5. COUNTY FEES

54985. (a) Notwithstanding any other provision of law which prescribes an amount or otherwise limits the amount of a fee or charge which may be levied by a county, a county service area, or a county waterworks district governed by a county board of supervisors, a county board of supervisors shall have the authority to increase or decrease any fee or charge, which is otherwise authorized to be levied by another provision of law, in the amount reasonably necessary to recover the cost of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied. The fee or charge may reflect the average cost of providing any product or service or enforcing any regulation. Indirect costs which may be reflected in the cost of providing any product or service or the cost of enforcing any regulation shall be limited to those items that are included in the federal Office of Management and Budget Circular A-87 on January 1, 1984.

(b) If any person disputes whether a fee or charge levied pursuant to subdivision (a) is reasonable, the board of supervisors may request the county auditor to conduct a study and to determine whether such fee or charge is reasonable.

Nothing in this subdivision shall be construed to mean that the county shall not continue to be subject to fee review procedures required by Article XIII B of the California Constitution.

(c) This chapter shall not apply to any of the following:

(1) Any fee charged or collected by a court clerk pursuant to Section 26820.4, 26823, 26824, 26826, 26827, 26827.4, 26830, 72054, 72055, 72056, 72059, 72060, or 72061 of the Government Code or Section 10554 of the Health and Safety Code.

(2) Any fees charged or collected pursuant to Chapter 2 (commencing with Section 6100) of Division 7 of Title 1.

(3) Any standby or availability assessment or charge.

(4) Any fee charged or collected by a county agricultural commissioner.

(5) Any fee charged or collected pursuant to Article 2.1 (commencing with Section 12240) of Chapter 2 of Division 5 of the Business and Professions Code.

(6) Any fee charged or collected by a county recorder or local registrar for filing, recording, or indexing any document, performing any service, issuing any certificate, or providing a copy of any document pursuant to Section 2103 of the Code of Civil Procedure, Section 27361, 27361.1, 27361.2, 27361.3, 27361.4, 27361.8, 27364, 27365, or 27366 of the Government Code, Section 10605 of the Health and Safety Code, or Section 9407 of the Uniform Commercial Code.

(7) Any fee charged or collected pursuant to Article 7 (commencing with Section 26720) of Chapter 2 of Part 3 of Division 2 of Title 3 of the Government Code.

54986. (a) Prior to either approving an increase in an existing fee or charge or initially imposing a new fee or charge pursuant to Section 54985, the board of supervisors shall hold at least one public meeting, at which oral or written presentations may be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the clerk of the board of supervisors for mailed notice of the meeting on new or increased fees or charges. Any written request for such mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for such mailed notices shall be filed on or before April 1st of each year. The board of supervisors may establish a reasonable annual charge for sending those notices based on the estimated cost of providing that service. At least 10 days prior to the meeting, the board of supervisors shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the product or service or the cost of enforcing any regulation for which the fee or charge is levied and the revenue sources anticipated to provide the product or service or the cost of enforcing any regulation, including general fund revenues.

(b) Any action by a board of supervisors to levy a new fee or charge or to approve an increase in an existing fee or charge shall be taken only by ordinance.

(c) Any costs incurred by a county, a county service area, or county waterworks district governed by a county board of supervisors in conducting the meeting or meetings required pursuant to subdivision (a) may be recovered from fees charged for the product or service or the cost of enforcing any regulation which were the subject of the meeting.

54987. (a) This chapter shall not be construed as granting any additional authority to levy any fee or charge which is not otherwise authorized by another provision of law nor shall its provisions be construed as granting authority to levy a new fee or charge when

other provisions of law specifically prohibit the levy of a fee or charge.

(b) This chapter shall not be construed as requiring counties, county service areas, or county waterworks districts governed by a county board of supervisors to review or revise any fee or charge which is in effect January 1, 1984.

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## CHAPTER 296

An act to add Section 435 to the Military and Veterans Code, relating to state military forces.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 435 is added to the Military and Veterans Code, to read:

435. There is in the State Treasury the Armory Fund. All proceeds from the disposal of unused armories shall be deposited in the Armory Fund. The money in the Armory Fund shall be available, upon appropriation by the Legislature, for the acquisition or construction of new or replacement armories. It is the intent of the Legislature that, to the extent that Armory Fund money is not appropriated for armory purposes, the money shall be available for appropriation for other purposes.

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## CHAPTER 297

An act to amend Section 43.7 of the Civil Code, relating to immunity.

[Approved by Governor July 15, 1983. Filed with  
Secretary of State July 15, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 43.7 of the Civil Code is amended to read:

43.7. (a) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any member of a duly appointed mental health professional quality assurance committee that is established in compliance with Sections 4070 and 5624 of the Welfare and Institutions Code, for any act or proceeding undertaken or performed within the scope of the functions of any such committee which is formed to review and evaluate the adequacy, appropriateness, or effectiveness of the care and

treatment planned for, or provided to, mental health patients in order to improve quality of care by mental health professionals if such committee member acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he or she acts, and acts in reasonable belief that the action taken by him or her is warranted by the facts known to him or her after such reasonable effort to obtain facts.

(b) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any member of a duly appointed committee of a medical specialty society, or any member of a duly appointed committee of a state or local professional society, or duly appointed member of a committee of a professional staff of a licensed hospital (provided the professional staff operates pursuant to written bylaws that have been approved by the governing board of the hospital), for any act or proceeding undertaken or performed within the scope of the functions of any such committee which is formed to maintain the professional standards of the society established by its bylaws, or any member of any peer review committee whose purpose is to review the quality of medical, dental, or veterinary services rendered by physicians and surgeons, dentists, dental hygienists, podiatrists, veterinarians, or psychologists which committee is composed chiefly of physicians and surgeons, dentists, dental hygienists, podiatrists, veterinarians, or psychologists for any act or proceeding undertaken or performed in reviewing the quality of medical, dental, or veterinary services rendered by physicians and surgeons, dentists, dental hygienists, podiatrists, veterinarians, or psychologists or any member of the governing board of a hospital in reviewing the quality of medical services rendered by members of the staff if such committee or board member acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he or she acts, and acts in reasonable belief that the action taken by him or her is warranted by the facts known to him or her after such reasonable effort to obtain facts. "Professional society" includes legal, medical, psychological, dental, dental hygiene, accounting, optometric, podiatric, pharmaceutical, chiropractic, physical therapist, veterinary, and engineering organizations having as members at least a majority of the eligible licentiates in the geographic area served by the particular society.

"Medical specialty society" means an organization having as members at least 25 percent of the eligible physicians within a given professionally recognized medical specialty in the geographic area served by the particular society.

(c) The provisions of this section do not affect the official immunity of an officer or employee of a public corporation.

(d) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any physician and surgeon or podiatrist who is a member of an underwriting committee of an interindemnity or reciprocal or interinsurance exchange or mutual company for any act or proceeding undertaken or performed

in evaluating physicians and surgeons or podiatrists for the writing of professional liability insurance, or any act or proceeding undertaken or performed in evaluating physicians and surgeons for the writing of an interindemnity, reciprocal, or interinsurance contract as specified in Section 1280.7 of the Insurance Code, if such evaluating physician or surgeon or podiatrist acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he or she acts, and acts in reasonable belief that the action taken by him or her is warranted by the facts known to him or her after such reasonable effort to obtain such facts.

(e) This section shall not be construed to confer immunity from liability on any quality assurance committee established in compliance with Sections 4070 and 5624 of the Welfare and Institutions Code, professional society, or hospital. In any case in which, but for the enactment of the preceding provisions of this section, a cause of action would arise against a quality assurance committee established in compliance with Sections 4070 and 5624 of the Welfare and Institutions Code, hospital, or professional society, such cause of action shall exist as if the preceding provisions of this section had not been enacted.

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## CHAPTER 298

An act to amend Sections 35014, 35150, and 35224.5 of, and to add Section 35142 to, the Government Code, relating to cities.

[Approved by Governor July 16, 1983. Filed with  
Secretary of State July 16, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 35014 of the Government Code is amended to read:

35014. (a) The authority to initiate, conduct, and complete any proceeding pursuant to Section 35013 shall not apply to any territory which, after January 1, 1978, became surrounded or substantially surrounded by the city to which annexation is proposed. The authority to initiate, conduct, and complete any proceeding pursuant to Section 35013 shall expire 10 years after January 1, 1978. The 10-year time limit specified in this section shall not include any period of time during which, in an action pending in any court, a local agency is enjoined from conducting proceedings pursuant to Section 35013. Upon final disposition of such case, the previously enjoined local agency shall be authorized to initiate, conduct and complete proceedings pursuant to Section 35013 for the same period of time as was remaining under the 10-year limit at the time the injunction commenced. However, if the remaining time is less than six months, such authority shall continue for six months following

final disposition of the action.

(b) No new proposal involving the same or substantially the same territory as a proposal initiated pursuant to Section 35013 after January 1, 1984, shall be initiated for two years after the date of adoption by the commission or by the conducting authority of a resolution terminating proceedings.

SEC. 2. Section 35142 is added to the Government Code, to read:

35142. Prior to submitting a resolution of application for the annexation of territory described in subdivision (f) of Section 35150 to the commission, the legislative body adopting the resolution shall conduct a public hearing on the resolution. Notice of the hearing shall be published pursuant to Sections 6060 and 6061. At the hearing, any landowner shall be given an opportunity to present his or her views on the resolution.

SEC. 3. Section 35150 of the Government Code is amended to read:

35150. The commission shall have the powers and duties set forth in Chapter 6.6 (commencing with Section 54773) of Part 1, Division 2, Title 5, and such additional powers and duties as are specified in this part, including the following:

(a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally proposals for the incorporation of cities, for changes of organization of cities, and municipal reorganizations; provided, however, that a commission shall not have the power to disapprove an annexation, initiated by resolution, of contiguous territory which the commission finds is either (1) surrounded or substantially surrounded by the city to which the annexation is proposed or by such city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 35046, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city or, (2) located within an urban service area which has been delineated and adopted by a commission, which is not prime agricultural land, as defined in Section 35046, and is designated for urban growth by the general plan of the annexing city.

As a condition to the annexation of an area, which is surrounded or substantially surrounded by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this chapter, that the annexation include the entire island of surrounded or substantially surrounded territory.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city, or with regard to a proposal for municipal reorganization which includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or municipal reorganization, is inhabited or uninhabited. Such determination shall be based on the definitions of "inhabited territory" contained in Section 35038.

(c) With regard to a proposal for consolidation of two or more cities, to determine which city shall be the consolidated, successor city.

(d) To adopt standards and procedures for the evaluation of plans for providing municipal services submitted pursuant to Section 35102.

(e) To waive the restrictions of Section 35010, if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed as a result of incorporation or annexation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(f) To approve the annexation after notice and hearing, and authorize the conducting authority to order annexation of the territory without an election if the commission finds that the territory contained in an annexation proposal:

(1) Does not exceed 75 acres in area, such area constitutes the entire island, and such island does not constitute a part of an unincorporated area which is more than 100 acres in area.

(2) (A) Is surrounded or substantially surrounded by the city to which annexation is proposed or by such city and a county boundary or the Pacific Ocean; or

(B) Is surrounded by the city to which annexation is proposed and adjacent cities.

(3) Is substantially developed or developing.

(4) Is not prime agricultural land as defined in Section 35046.

(5) Will benefit from such annexation or is receiving benefits from the annexing city.

The finding required pursuant to paragraph (3) of this subdivision shall be based upon one or more factors, including, but not limited to:

(A) The availability of public utility services.

(B) The presence of public improvements.

(C) The presence of physical improvements upon the parcel or parcels within such area.

(g) To approve the annexation of unincorporated, noncontiguous territory not exceeding 160 acres in area, located in the same county as that in which the city is located, and which is owned by a city and used for municipal purposes; and to authorize the conducting authority to annex such territory without notice or hearing.

(h) Subject to the provisions of Section 35031, to designate in the resolution making determinations the conducting authority for proceedings.

(i) When a municipal reorganization includes the annexation of inhabited territory to a city and the assessed value of land within such territory equals one-half or more of the assessed value of land within the city, or the number of registered voters residing within such territory equals one-half or more of the number of registered voters residing within the city, to determine as a condition of the

reorganization that the reorganization shall also be subject to confirmation by the voters in an election to be called, held, and conducted within the territory of the city to which annexation is proposed.

(j) With respect to the incorporation of a new city, to determine the number of inhabitants or the number of registered voters residing within the proposed city.

Except as otherwise provided in this part, such powers and duties shall be exercised in accordance with the provisions of Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5. To the extent of any inconsistency between Chapter 6.6 and this part, the provisions of this part shall control.

This section shall remain in effect only until January 1, 1988, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends such date.

SEC. 4. Section 35224.5 of the Government Code is amended to read:

35224.5. (a) With respect to a proceeding initiated before January 1, 1981, when approved and authorized by the commission pursuant to subdivision (f) of Section 35150, the conducting authority shall, not later than 35 days after conclusion of the hearing, adopt a resolution ordering the annexation without an election or shall by resolution, terminate proceedings. The provisions of Sections 35225, 35226, 35227, 35228, and 35229 shall not apply to any annexation subject to the provisions of this subdivision.

(b) With respect to a proceeding initiated on or after January 1, 1984, when approved and authorized by the commission pursuant to subdivision (f) of Section 35150, the provisions of Sections 35225, 35226, 35227, and 35229 shall apply and the provisions of Section 35228 shall not apply.

(i) If the territory proposed to be annexed is inhabited, the conducting authority, not more than 30 days after conclusion of the hearing, shall adopt a resolution making a finding regarding the value of written protests filed and not withdrawn and shall either: (A) terminate proceedings if written protests have been filed and not withdrawn by 50 percent or more of the registered voters within the affected territory; or, (B) order the territory annexed without an election.

(ii) If the territory proposed to be annexed is uninhabited, the conducting authority, not more than 30 days after conclusion of the hearing, shall adopt a resolution which either: (A) terminates proceedings; or, (B) orders the territory annexed.

SEC. 5. (a) With respect to cities affected by this act, no appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.



(b) With respect to local agencies other than cities affected by this act, no appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act will result in only minor costs being incurred by the affected local agencies.

(c) With respect to local agency formation commissions affected by this act, no appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the commissions possess authority to impose fees to recoup costs incurred by them pursuant to this act.

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## CHAPTER 299

An act to amend Section 42243.7 of, and to add Section 42244 to, the Education Code, relating to school districts.

[Approved by Governor July 16, 1983. Filed with  
Secretary of State July 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 42243.7 of the Education Code is amended to read:

42243.7. (a) For any unified school district which commenced operations on or after June 30, 1978, or any school district which receives approval from the State Department of Education for a new continuation education high school for the 1979-80 fiscal year, or any fiscal year thereafter, the Superintendent of Public Instruction shall compute an adjustment to the district revenue limit pursuant to this section.

(b) Determine the amount of foundation program which the district would have been entitled to pursuant to subdivision (a) of Section 41711 if the district had operated during the 1977-78 fiscal year utilizing the number of units of average daily attendance attending high school in the district in the fiscal year for which the revenue limit is being computed.

(c) Determine the amount of foundation program which the district would have been entitled to pursuant to paragraph (1) of subdivision (b) of Section 41711 if the district had operated during the 1977-78 fiscal year utilizing the same number of units of average daily attendance used in subdivision (b) of this section.

(d) Subtract the amount determined pursuant to subdivision (c) from the amount computed pursuant to subdivision (b).

(e) The amount computed pursuant to subdivision (d), if greater than zero, shall be added to the revenue limit computed pursuant to subdivision (c) of Section 42237 or pursuant to Section 42238. If the

amount in subdivision (d) is less than zero there is no adjustment.

(f) The Superintendent of Public Instruction shall reduce by the amount computed pursuant to subdivision (d) the revenue limit computed pursuant to Section 42238 of any district discontinuing the operation of a continuation education school approved pursuant to subdivision (a).

SEC. 2. Section 42244 is added to the Education Code, to read:

42244. It is the intent of the Legislature that, in the event a district increases its average daily attendance at a continuation education school above the average daily attendance level approved pursuant to subdivision (a) of Section 42243.7, the entire amount of the revenues generated by the additional average daily attendance shall be expended on the continuation education school program.

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## CHAPTER 300

An act relating to the Sacramento light rail project, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1983. Filed with  
Secretary of State July 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. The California Transportation Commission shall convey to the Sacramento Transit Development Agency the title to those portions of the real property originally acquired by the Department of Transportation for the now abandoned Interstate Route 80 Bypass Freeway which are jointly determined by the department and the Sacramento Transit Development Agency to be needed for, or beneficial to, the Sacramento light rail project. The commission shall not convey title to the real property to the agency, unless the agency agrees to assume full responsibility for all unmet contractual and legal obligations incurred by the department when the department acquired the property. In the event the real property ceases to be used for light rail purposes, title to the real property shall revert to the state unless either of the following occurs:

(1) The purpose for which the property is used does not result in any requirement for reimbursement of funds to the federal government.

(2) The Sacramento Transit Development Agency or other entity acceptable to the department assumes liability for any reimbursement required.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to assure that adequate funding will be available for the

construction of the Sacramento light rail project on schedule, it is necessary that the Sacramento Transit Development Agency have title to the property specified in Section 1 of this act prior to July 1, 1983.

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## CHAPTER 301

An act to amend Section 2625 of the Penal Code, relating to prisoners.

[Approved by Governor July 16, 1983. Filed with  
Secretary of State July 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2625 of the Penal Code is amended to read:  
2625. In any action brought under Section 232 of the Civil Code, where such action seeks to terminate the parental rights of any prisoner or any action brought under Section 300 of the Welfare and Institutions Code, where such action seeks to adjudicate the child of a prisoner a dependent child of the court, the superior court of the county in which such action is pending, or a judge thereof, shall order notice of any court proceeding regarding such action transmitted to the prisoner.

For the purposes of this section only, the term "prisoner" includes any individual in custody in a state prison, in the California Rehabilitation Center, or a county jail, or who is a ward of the California Youth Authority or who, upon a verdict or finding that the individual was insane at the time of committing an offense, or mentally incompetent to be tried or adjudged to punishment, is confined in a state hospital for the care and treatment of the mentally disordered or in any other public or private treatment facility.

Service of notice shall be made pursuant to Section 235 of the Civil Code or Section 337 of the Welfare and Institutions Code, as appropriate.

Upon receipt by the court of a statement from the prisoner or his or her attorney indicating the prisoner's desire to be present during the court's proceedings, the court shall issue an order for the temporary removal of the prisoner from such institution, and for the prisoner's production before the court. No proceeding may be held under Section 232 of the Civil Code and no petition to adjudge the child of a prisoner a dependent child of the court pursuant to subdivision (a), (b), or (d) of Section 300 of the Welfare and Institutions Code may be adjudicated without the physical presence of the prisoner or the prisoner's attorney, unless the court has before it a knowing waiver of the right of physical presence signed by the prisoner or an affidavit signed by the warden, superintendent or other person in charge of such institution, or his or her designated

representative stating that the prisoner has, by express statement or action, indicated an intent not to appear at such proceeding.

In any other action in which a prisoner's parental or marital rights are subject to adjudication, an order for the prisoner's temporary removal from such institution and for the prisoner's production before the court may be made by the superior court of the county in which such action is pending, or by a judge thereof. A copy of the order shall be transmitted to the warden, superintendent, or other person in charge of such institution not less than 48 hours before the order is to be executed. The order shall be executed by the sheriff of the county in which it shall be made, whose duty it shall be to bring the prisoner before the proper court, to safely keep the prisoner and when the prisoner's presence is no longer required to return the prisoner to the institution from whence he or she was taken; the expense of executing such order shall be a proper charge against and shall be paid by, the county in which the order shall be made.

Such order shall be to the following effect:

County of \_\_\_\_\_ (as the case may be).

The people of the State of California to the warden of \_\_\_\_\_:

An order having been made this day by me, that A.B. be produced in this court as a party in the case of \_\_\_\_\_, you are commanded to deliver A.B. into the custody of \_\_\_\_\_ for the purpose of (recite purposes).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

When a prisoner is removed from such institution pursuant to this section, the prisoner shall remain in the constructive custody of the warden, superintendent, or other person in charge of such institution.

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## CHAPTER 302

An act to amend Sections 663a and 1291 of the Code of Civil Procedure, and Sections 4363.2, 4512, 4550, 4554, and 4801 of the Civil Code, relating to statements of decisions.

[Approved by Governor July 16, 1983 Filed with  
Secretary of State July 16, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 663a of the Code of Civil Procedure is amended to read:

663a. The party intending to make the motion mentioned in the last section must file with the clerk and serve upon the adverse party a notice of his intention, designating the grounds upon which the motion will be made, and specifying the particulars in which the

legal basis for the decision is not consistent with or supported by the facts, or in which the judgment or decree is not consistent with the special verdict, either

1. Before the entry of judgment; or

2. Within 15 days of the date of mailing of notice of entry of judgment by the clerk of the court pursuant to Section 664.5, or service upon him by any party of written notice of entry of judgment, or within 180 days after the entry of judgment, whichever is earliest.

The provisions of Section 1013 of this code extending the time for exercising a right or doing an act where service is by mail shall not apply to extend the time above specified.

An order of the court granting such motion may be reviewed on appeal in the same manner as a special order made after final judgment.

SEC. 2. Section 1291 of the Code of Civil Procedure is amended to read:

1291. A statement of decision shall be made by the court, if requested pursuant to Section 632, whenever an order or judgment, except a special order after final judgment, is made that is appealable under this title.

SEC. 3. Section 4363.2 of the Civil Code is amended to read:

4363.2. (a) The provisions of this section shall govern any proceeding in which an employee pension benefit plan has been joined as a party. To the extent not in conflict with this section and except as otherwise provided by rules adopted by the Judicial Council pursuant to Section 4001, all provisions of law applicable to civil actions generally shall apply regardless of nomenclature to the portion of such proceeding as to which the plan has been joined as a party if they would otherwise apply to such proceeding without reference to this section.

(b) The employee pension benefit plan may, but need not, file an appropriate responsive pleading with its notice of appearance. If it does not, then all statements of fact and requests for relief contained in any pleading served on the plan shall be deemed controverted by the plan's notice of appearance.

(c) Either party or their representatives may notify the plan of any proposed property settlement as it concerns the plan prior to the interlocutory hearing. If so notified, the plan may stipulate to the proposed settlement or advise the representative that it will contest the proposed settlement.

(d) The employee pension benefit plan shall not be required to, but may, appear at any hearing in the proceeding. For purposes of the Code of Civil Procedure, the plan shall be considered a party appearing at the trial with respect to any hearing at which the interest of the parties in the plan is an issue before the court. Those provisions of any order entered at or as a result of a hearing not attended by the plan (whether or not the plan received notice of the hearing) which affect the plan or which affect any interest either the petitioner or respondent may have or claim under the plan, shall not

become effective until 30 days after the order has been served upon the employee pension benefit plan; provided, however, that the plan may waive all or any portion of the 30-day period. If within the 30-day period, the plan files in the proceeding a motion to set aside or modify those provisions of the order affecting it, such provisions shall not become effective until the court has resolved the motion.

If the provisions of the order affecting the plan are modified or set aside, the court, on motion by either party, may set aside or modify other provisions of the order related to or affected by the provisions affecting the employee pension benefit plan.

(e) At any hearing on a motion to set aside or modify an order pursuant to subdivision (d), any party may present further evidence on any issue relating to the rights of the parties under the employee pension benefit plan or the extent of the parties' community or quasi-community property interest in the plan. Any statement of decision issued by the court with respect to the order which is the subject of the motion shall take account of such evidence.

SEC. 4. Section 4512 of the Civil Code is amended to read:

4512. In actions for dissolution of the marriage, the court must file its decision and any statement of decision as in other cases, and if it determines that no dissolution shall be granted, final judgment must therefore only be entered accordingly. If it determines that a dissolution ought to be granted, an interlocutory judgment must be entered declaring that the parties are entitled to have their marriage dissolved. After the entry of the interlocutory judgment, neither party shall have the right to dismiss the action without the consent of the other.

SEC. 5. Section 4550 of the Civil Code is amended to read:

4550. A marriage may be dissolved by the summary dissolution procedure specified in this chapter when all of the following conditions exist at the time the proceeding is commenced:

(a) Either party has met the jurisdictional requirements of Sections 4530 and 4531 with regard to dissolution of marriage.

(b) Irreconcilable differences have caused the irremediable breakdown of the marriage and the marriage should be dissolved.

(c) There are no children of the relationship of the parties born before or during the marriage or adopted by the parties during the marriage, and the wife, to her knowledge, is not pregnant.

(d) The marriage is not more than five years in duration at the time the petition is filed.

(e) Neither party has any interest in real property wheresoever situated, with the exception of the lease of a residence occupied by either party, if it does not include an option to purchase, and if it terminates within one year from the date of the filing of the petition.

(f) There are no unpaid obligations in excess of four thousand dollars (\$4,000) incurred by either or both of the parties after the date of their marriage, excluding the amount of any unpaid obligation with respect to an automobile.

(g) The total fair market value of community property assets,

excluding all encumbrances and automobiles, is less than twelve thousand dollars (\$12,000) and neither party has separate property assets, excluding all encumbrances and automobiles, in excess of twelve thousand dollars (\$12,000).

(h) The parties have executed an agreement setting forth the division of assets and the assumption of liabilities of the community, and have duly executed any documents, title certificates, bills of sale, or other evidence of transfer necessary to effectuate the agreement.

(i) The parties waive any rights to spousal support.

(j) The parties, upon entry of final judgment of dissolution of marriage, irrevocably waive their respective rights to appeal and their rights to move for a new trial.

(k) The parties have read and understand the summary dissolution brochure provided for in Section 4556.

(l) The parties desire that the court dissolve the marriage.

On January 1, 1985, and on January 1 of each odd-numbered year thereafter, the amounts in subdivisions (f) and (g) shall be adjusted to reflect any change in the value of the dollar. The adjustments shall be made by multiplying the base amounts by the percentage change in the California Consumer Price Index as compiled by the Department of Industrial Relations, with the result rounded to the nearest thousand dollars. The Judicial Council shall compute and publish the amounts.

SEC. 6. Section 4554 of the Civil Code is amended to read:

4554. Entry of the final judgment shall constitute a final adjudication of the rights and obligations of the parties with respect to the status of the marriage and property rights and shall constitute a waiver of their respective rights to spousal support, rights to appeal, and rights to move for a new trial.

SEC. 7. Section 4801 of the Civil Code is amended to read:

4801. (a) In any judgment decreeing the dissolution of a marriage or a legal separation of the parties, the court may order a party to pay for the support of the other party any amount, and for any period of time, as the court may deem just and reasonable. In making the award, the court shall consider the following circumstances of the respective parties:

(1) The earning capacity of each spouse, taking into account the extent to which the supported spouse's present and future earning capacity is impaired by periods of unemployment that were incurred during the marriage to permit the supported spouse to devote time to domestic duties.

(2) The needs of each party.

(3) The obligations and assets, including the separate property, of each.

(4) The duration of the marriage.

(5) The ability of the supported spouse to engage in gainful employment without interfering with the interests of dependent children in the custody of the spouse.

(6) The time required for the supported spouse to acquire

appropriate education, training, and employment.

(7) The age and health of the parties.

(8) The standard of living of the parties.

(9) Any other factors which it deems just and equitable.

At the request of either party, the court shall make appropriate factual determinations with respect to the circumstances. The court may order the party required to make the payment of support to give reasonable security therefor. Any order for support of the other party may be modified or revoked as the court may deem necessary, except as to any amount that may have accrued prior to the date of the filing of the notice of motion or order to show cause to modify or revoke. At the request of either party, the order of modification or revocation shall include a statement of decision and may be made retroactive to the date of filing of the notice of motion or order to show cause to modify or revoke, or to any date subsequent thereto.

(b) Except as otherwise agreed by the parties in writing, the obligation of any party under any order or judgment for the support and maintenance of the other party shall terminate upon the death of either party or the remarriage of the other party.

(c) When a court orders a person to make specified payments for support of the other party for a contingent period of time, the liability of the person terminates upon the happening of the contingency. If the party to whom payments are to be made fails to notify the person ordered to make the payments, or the attorney of record of the person so ordered, of the happening of the contingency and continues to accept support payments, the supported party shall refund any and all moneys received which accrued after the happening of the contingency, except that the overpayments shall first be applied to any and all support payments which are then in default. The court may, in the original order for support, order the party to whom payments are to be made to notify the person ordered to make such payments, or his or her attorney of record, of the happening of the contingency.

(d) An order for payment of an allowance for the support of one of the parties shall terminate at the end of the period specified in the order and shall not be extended unless the court in its original order retains jurisdiction.

(e) In any proceeding under this section the court may order a party to submit to an examination by a vocational training consultant. The order may be made only on motion, for good cause shown, and upon notice to the party to be examined and to all parties, and shall specify the time, place, manner, conditions, scope of the examination and the person or persons by whom it is to be made. The party refusing to comply with such an order shall be subject to the same consequences provided for failure to comply with an examination ordered pursuant to Section 2032 of the Code of Civil Procedure.

(f) For the purposes of this section, "vocational training consultant" means an individual with sufficient knowledge, skill, experience, training, or education relating to interviewing, the



testing and analysis of work skills, the planning of courses of training and study, the formulation of career goals, and the work market to qualify as an expert in vocational training under Section 720 of the Evidence Code.

SEC. 8. Section 4801.5 of the Civil Code is amended to read:

4801.5. (a) Except as otherwise agreed to by the parties in writing, there shall be a rebuttable presumption, affecting the burden of proof, of decreased need for support if the supported party is cohabiting with a person of the opposite sex. Upon a determination that circumstances have changed, the court may modify the payment of support as provided for in subdivision (a) of Section 4801.

(b) Holding oneself out to be the husband or wife of the person with whom one is cohabiting is not necessary to constitute cohabitation as the term is used in this section.

(c) Nothing in this section shall preclude later modification of support upon proof of change of circumstances.

SEC. 9. The changes made by this act in subdivisions (f), (g), and (l) of Section 4550 of the Civil Code are declaratory of existing law.

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## CHAPTER 303

An act to amend Sections 50078, 50078.1, 50078.4, 50078.5, 50078.6, 50078.8, 50078.12, 50078.13, 50078.16, and 50078.17 of, and to amend and renumber Section 50078.11 of, the Government Code, relating to fire suppression assessments.

[Approved by Governor July 16, 1983 Filed with  
Secretary of State July 16, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 50078 of the Government Code is amended to read:

50078. Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article. The assessment may be made for the purpose of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.

SEC. 2. Section 50078.1 of the Government Code is amended to read:

50078.1. As used in this article:

(a) "Legislative body" means the board of directors, trustees, governors, or any other governing body of a local agency specified in subdivision (b).

(b) "Local agency" means any city, county, or city and county, whether general law or chartered, or special district, including a county service area created pursuant to the County Service Area Law, Chapter 2.2 (commencing with Section 25210.1) of Part 2 of Division 2 of Title 3.

SEC. 3. Section 50078.4 of the Government Code is amended to read:

50078.4. The legislative body of the local agency shall cause to be prepared and filed with the clerk of the local agency a written report which shall contain a description of each lot or parcel of property proposed to be subject to the assessment, the amount of the assessment for each lot or parcel for that fiscal year, the basis of the assessment, and the schedule of the assessment.

SEC. 4. Section 50078.5 of the Government Code is amended to read:

50078.5. (a) The legislative body may establish zones or areas of benefit within the local agency and may restrict the imposition of assessments to areas lying within one or more of the zones or areas of benefit established within the local agency.

(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit.

The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used.

SEC. 5. Section 50078.6 of the Government Code is amended to read:

50078.6. The clerk of the local agency shall cause notice of the filing of the report and of a time, date, and place of hearing thereon to be published pursuant to Section 6066 of the Government Code and to be posted in at least three public places within the local agency. The clerk shall also cause a copy of the notice of the filing of the report and of the time, date, and place of hearing thereon to be mailed to each parcel or property owner whose property would be subject to the assessment. The notice shall be mailed at least two weeks prior to the date set for hearing to those persons whose name and address appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or as known to the clerk.

SEC. 6. Section 50078.8 of the Government Code is amended to read:

50078.8. At any time not later than the hour set for the hearing, any holder, whether a fee owner, lessee, or otherwise, of the interest in the property which is proposed to be assessed and who will be obligated to pay any proposed assessment, may make written protest against the proposed assessment. The protest shall be in writing, shall contain a description of the property and the interest in the property which each signer thereof represents, sufficient to identify the property, and, if the signers are not shown on the last equalized

assessment roll as the owners of that property, shall contain or be accompanied by written evidence that the signers are the holders of the property interest proposed to be charged and who will be obligated to pay the proposed charge. All protests shall be delivered to the clerk of the local agency and, for the purposes of Section 50078.12, no other protests or objections shall be considered.

SEC. 7. Section 50078.11 of the Government Code, as added by Chapter 1420 of the Statutes of 1982, is amended and renumbered to read:

50078.20. Any district may specifically allocate a portion of the revenue generated pursuant to this article to pay the interest and that portion of the principal as will become due on an annual basis on indebtedness incurred pursuant to Section 13917.5 of the Health and Safety Code.

SEC. 8. Section 50078.12 of the Government Code is amended to read:

50078.12. If the legislative body of a special district, including a county service area, finds that the protest is made by holders of property interests proposed to be assessed and who will be obligated to pay the proposed assessment for fire suppression service representing more than 5 percent but less than 50 percent of the total amount of expected revenue from the assessment, and protests are not withdrawn so as to reduce the same to less than 5 percent, the proposed assessment so protested shall either be submitted to approval by a majority of the voters of the district voting on the proposition or abandoned.

If the value of the protests equal 50 percent or more of the total amount of expected revenue from the assessment, and protests are not withdrawn so as to reduce the same to less than 50 percent, the proposed assessment so protested shall be abandoned.

SEC. 9. Section 50078.13 of the Government Code is amended to read:

50078.13. The local agency shall pay the county for costs, if any, incurred by the county in conducting the election. An election called by a legislative body pursuant to this article is subject to all provisions of the Elections Code applicable to elections called by the local agency.

SEC. 10. Section 50078.16 of the Government Code is amended to read:

50078.16. The legislative body may provide for the collection of the assessment in the same manner, and subject to the same penalties as, other fees, charges, and taxes fixed and collected by, or on behalf of the local agency. If the assessments are collected by the county, the county may deduct its reasonable costs incurred for that service before remittal of the balance to the local agency's treasury.

SEC. 11. Section 50078.17 of the Government Code is amended to read:

50078.17. The provisions of Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure apply to any

judicial action or proceeding to validate, attack, review, set aside, void, or annul an ordinance levying an assessment or modifying or amending an existing ordinance.

If an ordinance provides for an automatic adjustment in an assessment, and the automatic adjustment results in an increase in the amount of an assessment, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 90 days of the effective date of the increase.

Any appeal from a final judgment in the action or proceeding brought pursuant to this section shall be filed within 30 days after entry of the judgment.

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## CHAPTER 304

An act to amend Section 4600.5 of the Civil Code, relating to custody.

[Approved by Governor July 16, 1983. Filed with  
Secretary of State July 16, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4600.5 of the Civil Code is amended to read:  
4600.5. (a) There shall be a presumption, affecting the burden of proof, that joint custody is in the best interests of a minor child where the parents have agreed to an award of joint custody or so agree in open court at a hearing for the purpose of determining the custody of a minor child of the marriage.

(b) Upon the application of either parent, joint custody may be awarded in the discretion of the court in other cases. For the purpose of assisting the court in making a determination whether an award of joint custody is appropriate under this subdivision, the court may direct that an investigation be conducted pursuant to the provisions of Section 4602.

(c) Whenever a request for joint custody is granted or denied, the court, upon the request of any party, shall state in its decision the reasons for granting or denying the request. A statement that joint physical custody is, or is not, in the best interest of the child shall not be sufficient to meet the requirements of this subdivision.

(d) For the purposes of this part:

(1) "Joint custody" means joint physical custody and joint legal custody.

(2) "Sole physical custody" means that a child shall reside with and under the supervision of one parent, subject to the power of the court to order visitation.

(3) "Joint physical custody" means that each of the parents shall have significant periods of physical custody. Joint physical custody shall be shared by the parents in such a way so as to assure a child

of frequent and continuing contact with both parents.

(4) "Sole legal custody" means that one parent shall have the right and the responsibility to make the decisions relating to the health, education, and welfare of a child.

(5) "Joint legal custody" means that both parents shall share the right and the responsibility to make the decisions relating to the health, education, and welfare of a child.

(e) In making an order of joint legal custody, the court shall specify the circumstances under which the consent of both parents is required to be obtained in order to exercise legal control of the child and the consequences of the failure to obtain mutual consent. In all other circumstances, either parent acting alone may exercise legal control of the child. An order of joint legal custody shall not be construed to permit an action that is inconsistent with the physical custody order unless the action is expressly authorized by the court.

(f) In making an order of joint physical custody, the court shall specify the right of each parent to the physical control of the child in sufficient detail to enable a parent deprived of that control to implement laws for relief of child snatching and kidnapping.

(g) In making an order for custody with respect to both parents, the court may award joint legal custody without awarding joint physical custody.

(h) In making an order of joint physical custody or joint legal custody, the court may specify one parent as the primary caretaker of the child and one home as the primary home of the child, for the purposes of determining eligibility for public assistance.

(i) Any order for joint custody may be modified or terminated upon the petition of one or both parents or on the court's own motion if it is shown that the best interests of the child require modification or termination of the order. The court shall state in its decision the reasons for modification or termination of the joint custody order if either parent opposes the modification or termination order.

(j) Any order for the custody of a minor child of a marriage entered by a court in this state or any other state may, subject to the jurisdictional requirements set forth in Sections 5152 and 5163, be modified at any time to an order of joint custody in accordance with the provisions of this section.

(k) In counties having a conciliation court, the court or the parties may, at any time, pursuant to local rules of court, consult with the conciliation court for the purpose of assisting the parties to formulate a plan for implementation of the custody order or to resolve any controversy which has arisen in the implementation of a plan for custody.

(l) Notwithstanding any other provision of law, access to records and information pertaining to a minor child, including but not limited to medical, dental, and school records, shall not be denied to a parent because such parent is not the child's custodial parent.

## CHAPTER 305

An act to amend Section 2472 of, and to add Section 2473 to, the Business and Professions Code, relating to podiatry.

[Became law without Governor's signature. Filed with  
Secretary of State July 18, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2472 of the Business and Professions Code is amended to read:

2472. The certificate to practice podiatric medicine authorizes the holder to practice podiatric medicine.

As used in this chapter, "podiatric medicine" means the diagnosis, medical, surgical, mechanical, manipulative, and electrical treatment of the human foot, including the ankle and tendons that insert into the foot and the nonsurgical treatment of the muscles and tendons of the leg governing the functions of the foot.

No podiatrist shall do any amputation or administer an anesthetic other than local.

Surgical treatment by a podiatrist of the ankle and tendons at the level of the ankle shall be performed only in a licensed general acute care hospital, as defined in Section 1250 of the Health and Safety Code.

The amendment of this section made at the 1983-84 Regular Session of the Legislature is intended to codify existing practice.

SEC. 2. Section 2473 is added to the Business and Professions Code, to read:

2473. A doctor of podiatric medicine may perform surgical treatment of the ankle, provided that the person is certified by the committee to perform that treatment. The committee shall require licensees who apply for the certification to demonstrate sufficient knowledge of surgical treatment of the ankle and related subject matter and to provide evidence of staff privileges at a licensed general acute care facility. The committee may accept successful completion of certification examinations administered by the American Board of Podiatric Surgery in lieu of any examination it may require. The committee shall establish a certification fee necessary for the regulation of this section. The certification fee shall not exceed one hundred fifty dollars (\$150) per applicant.

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CHAPTER 306

An act to amend Section 9413 of, and to add and repeal Chapter 5 (commencing with Section 9400) of Division 8.5 of the Welfare and Institutions Code, relating to elderly persons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 18, 1983. Filed with  
Secretary of State July 18, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 5 (commencing with Section 9400) is added to Division 8.5 of, the Welfare and Institutions Code, to read:

#### CHAPTER 5. MULTIPURPOSE SENIOR SERVICES PROGRAM

9400. The purpose of this chapter is to establish a program to begin on July 1, 1983, to serve frail elderly persons 65 years of age and older who are at risk of institutionalization in a skilled nursing facility or intermediate care facility. This program shall be known as the Multipurpose Senior Services Program, and shall be structured and carried out in a manner consistent with the multipurpose senior services project research and demonstration effort, the operations of which shall be terminated on June 30, 1983, if the conditions set forth in Section 9402 are met.

9401. This chapter clarifies the intent of the Legislature that the Multipurpose Senior Services Program become an ongoing program until a State Department of Aging and Long-Term Care shall be established as required under Chapter 1453 of the Statutes of 1982. Specifically, this chapter clarifies the Legislature's intent expressed in Sections 45 and 48 of Chapter 1453 of the Statutes of 1982.

The program shall continue to develop and report on effective methods:

(a) To prevent premature disengagement of older persons from their indigenous communities and subsequent commitment to institutions.

(b) To provide optimum accessibility of various important community social and health resources available to assist active older persons maintain independent living.

(c) To provide that the frail older person who has the capacity to remain in an independent living situation has access to the appropriate social and health services without which independent living would not be possible.

(d) To provide the most efficient and effective use of public funds in the delivery of these social and health services.

(e) To coordinate, integrate, and link these social and health services including county social services by removing obstacles which impede or limit improvements in delivery of these services.

(f) To allow the state substantial flexibility in organizing or administering the delivery of social and health services to its senior citizens.

9402. The Multipurpose Senior Services Program shall terminate as a demonstration project and be established as a program effective on or after July 1, 1983, if and when the following conditions have been met:

(a) On or after July 1, 1983, the Health and Welfare Agency has received approval of its waiver proposal submitted to the United States Department of Health and Human Services in accordance with Section 2176 of the federal Omnibus Budget Reconciliation Action of 1981 (Public Law 97-35).

(b) All clients selected for inclusion in the Multipurpose Senior Services Program shall be certified or certifiable for placement in a skilled nursing facility or intermediate care facility based on criteria established by the Health and Welfare Agency and approved by the United States Department of Health and Human Services.

9403. "Multipurpose senior services" means a coordinated, integrated system of delivery of the following social and health services including but not limited to: recreation services, educational services, senior center programs, information and referral services, transportation, income maintenance counseling, housing services, outreach services, volunteer programs, legal services, home repair services, escort services, telephone reassurance services, friendly visiting services, health screening services, psychological screening services, nutrition services, home health services, preventive health services, mental health services, homemaker chore services, portable meals, day care services, adult day health care services, nonmedical respite care services, intermediate care, skilled nursing care, acute hospital care, and hospice care.

9404. The provisions of this chapter shall be administered by the Health and Welfare Agency. In addition to its other powers, the agency shall have the powers of a head of a department pursuant to Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code.

To the extent permitted by federal law, each department within the agency, including departments designated as single state agencies for the programs described in Section 9403, shall waive regulations and general policies and make resources available which are necessary for the administration of this chapter, upon request of the agency.

The agency may designate a department under its jurisdiction to implement the provisions of this chapter.

9405. The agency shall formulate criteria for local multipurpose senior services program sites. The criteria shall include, but need not be limited to, the following:

(a) Specifications for a social and health review team to evaluate older persons and to assure that continuity of social, economic, and health services is provided to maintain older persons at the appropriate level of care.

(b) Development of social and health services necessary to maintain the older person at the appropriate level of care.

(c) Specifications for the quality of the social and health services to be provided.

(d) Coordination and integration of the social and health services described in Section 9407.



(e) The number of local sites shall be consistent with the moneys made available for purposes of this chapter.

(f) Coordination with local governmental agencies concerned with multipurpose senior services.

(g) Specifications for the evaluation of the proposals submitted for the new local sites and for the evaluation of the local sites. The evaluation of the local sites shall measure the effectiveness and the efficiency of the sites in:

(1) Identifying the health and social needs of the older persons and the coordination of the available services required to maintain persons at the appropriate level of care.

(2) Assuring that a continuity of social and health services is provided to maintain persons at the appropriate level of care.

The evaluation shall include, but not be limited to:

(1) A description of the social and economic characteristics of the older persons served by the local sites.

(2) The range of problems presented by the persons served, and the services provided in response to those problems.

(3) A description of those problems best handled by the local sites and a description of the problems least effectively handled by the program.

(4) The costs of the services required to maintain persons at the appropriate level of care under a continuity of care program compared with the costs of services for persons who have not received services as components of a continuity of care program.

9406. Individual Multipurpose Senior Services Program sites shall be selected for inclusion in the new program if the individual site demonstrates cost effectiveness.

9407. Nothing in this chapter is to preclude expansion of Multipurpose Senior Services Programs if cost effectiveness is demonstrated. The expansion shall be through increasing numbers of clients served in individual sites or through expansion of the number of sites to include additional geographic regions of the state. The Legislature further intends that any state or federal moneys unexpended by Multipurpose Senior Services Programs at the end of each fiscal year shall be used either to continue operations for the next fiscal year or to expand Multipurpose Senior Services Program services, pursuant to the intent stated in Section 9401.

9408. The agency shall do the following:

(a) Enter into agreements and negotiated contracts with any nonprofit organization or governmental entity to operate the local sites consistent with the criteria adopted pursuant to Section 9405. In letting these contracts, the agency shall not anticipate future appropriations.

(b) Make grants to local sites from available funds.

(c) Monitor local sites.

(d) Cause the pilot projects to be evaluated in accordance with the established criteria.

(e) Seek and utilize any available federal, state, or private funds

which may be available for carrying out the purposes of this chapter.

Notwithstanding any other provision of law, local sites established pursuant to this chapter may contract with the State Director of Health Services as Medi-Cal programs pursuant to Chapter 8 (commencing with Section 14200) of Part 3 of Division 9. Contracts with such local sites shall be deemed to be for the purposes specified in Section 14494, and may utilize funds appropriated from the Health Care Deposit Fund pursuant to Section 14157.

(f) Request and secure such waivers of single state agency requirements as are necessary under the Federal Intergovernmental Cooperation Act of 1968 (P.L. 90-577), and such other federal requirements as are necessary in order to utilize available federal funds for the purposes of this chapter.

(g) Assist in coordinating local site programs with local governmental programs and services for older persons.

(h) Submit to the Legislature and the Governor by each April 30 a report on the administration of this chapter. Such reports shall include information specified in subdivision (g) of Section 9405 and shall include information on the cost effectiveness of each individual local program site.

9409. This chapter shall remain in effect until the state establishes a new local long-term care delivery system pursuant to the Torres-Felando Long-Term Care Reform Act (Chapter 1453 of the Statutes of 1982) or until June 30, 1986, whichever comes first and as of that date is repealed unless a later enacted statute chaptered prior to that date extends or deletes that date.

SEC. 2. Section 9413 of the Welfare and Institutions Code is amended to read:

9413. On or after July 1, 1983, if the conditions specified in Section 9402, as added during the 1983-84 Regular Session are met, the provisions of this chapter shall no longer remain in effect, and as of the date the conditions are met, shall be repealed unless a later enacted statute chaptered prior to that date extends or deletes that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the continuation and expansion of the Multipurpose Senior Services Program, it is necessary that this act go into immediate effect.

## CHAPTER 307

An act to add Section 1916.1 to the Civil Code, relating to usury.

[Approved by Governor July 18, 1983. Filed with  
Secretary of State July 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1916.1 is added to the Civil Code, to read:  
1916.1. The restrictions upon rates of interest contained in Section 1 of Article XV of the California Constitution shall not apply to any loan or forbearance made or arranged by any person licensed as a real estate broker by the State of California, and secured, directly or collaterally, in whole or in part by liens on real property. The term "made or arranged" includes any loan made by a person licensed as a real estate broker as a principal or as an agent for others, and whether or not the person is acting within the course and scope of such license.

SEC. 2. The Legislature finds that the Legislature in adopting ACA 52 in 1979 (Res. Ch. 49, Stats. 1979), and the people in approving that measure as Proposition 2 in November of 1979, established an additional class exempt from interest rate limitations for persons licensed as real estate brokers by the State of California on the basis that real estate brokers are qualified by the state on the basis of education, experience, and examination, and that the licenses of real estate brokers can be revoked or suspended if real estate brokers perform acts involving dishonesty, fraud, or deceit with intent to substantially benefit themselves or others, or to substantially injure others.

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CHAPTER 308

An act to amend Sections 1063.1, 1063.2, and 1063.14 of the Insurance Code, relating to insurance.

[Approved by Governor July 18, 1983. Filed with  
Secretary of State July 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1063.1 of the Insurance Code is amended to read:

1063.1. As used in this article:

(a) "Member insurer" means an insurer required to be a member of the association in accordance with the provisions of subdivision (a) of Section 1063, except and to the extent that the insurer is participating in an insolvency program adopted by the United States

government.

(b) "Insolvent insurer" means a member insurer for which a domiciliary or ancillary liquidator has been appointed in this state after the effective date of this article.

(c) (1) "Covered claims" means the obligations of an insolvent insurer, including the obligation for unearned premiums, (i) imposed by law and arising out of an insurance policy of the insolvent insurer; (ii) which were unpaid by the insolvent insurer; (iii) which are presented as a claim to the liquidator in this state or to the association on or before the last date fixed for the filing of claims in the domiciliary liquidating proceedings; (iv) which were incurred prior to, on, or within 30 days after the date the liquidator was appointed; (v) for which the assets of the insolvent insurer are insufficient to discharge in full; (vi) in the case of a policy of workers' compensation insurance, to provide workers' compensation benefits under the Workers' Compensation Law of this state and (vii) in the case of other classes of insurance if the policy is issued to a resident of this state or claim against an insured thereunder is made by a resident of this state.

(2) "Covered claims" shall not include any obligations arising from life, title, surety, disability, credit, mortgage, or mortgage guaranty insurance, nor arising from a policy of ocean marine insurance.

(3) "Covered claims" shall not include any obligations of the insolvent insurer arising out of any reinsurance contracts, nor any obligations incurred after the expiration date of the insurance policy or after the insurance policy has been replaced by the insured or canceled at the insured's request or after the insurance policy has been canceled by the association as provided in this chapter, nor any obligations to any state or to the federal government.

(4) "Covered claims" shall not include any obligations to insurers, insurance pools, or underwriting associations, except as otherwise provided in this chapter.

(5) "Covered claims," except in the case of a claim for workers' compensation benefits, shall not include any claim in an amount of one hundred dollars (\$100) or less, nor the first one hundred dollars (\$100) of any claim in excess of one hundred dollars (\$100), nor that portion of any claim which is in excess of any applicable limits provided in the insurance policy issued by the insolvent insurer.

(6) "Covered claims" shall not include that portion of any claim, other than a claim for workers' compensation benefits, which is in excess of five hundred thousand dollars (\$500,000).

(7) "Covered claims" shall not include (a) any claim to the extent it is covered by any other insurance of a class covered by the provisions of this article available to the claimant or insured nor (b) any claim by any person other than the original claimant under the insurance policy in his or her own name, his or her executor, administrator, guardian or other personal representative or trustee in bankruptcy and shall not include any claim asserted by an assignee

or one claiming by right of subrogation, except as otherwise provided in this chapter.

(8) "Covered claims" shall not include any obligations arising out of the issuance of an insurance policy written by the separate division of the State Compensation Insurance Fund pursuant to the provisions of Sections 11802 and 11803.

(9) "Covered claims" shall not include any obligations of the insolvent insurer arising from any policy or contract of insurance issued or renewed prior to the insolvent insurer's admission to transact insurance in the State of California.

(d) "Admitted to transact insurance in this state" means an insurer possessing a valid certificate of authority issued by the California Department of Insurance.

SEC. 2. Section 1063.2 of the Insurance Code is amended to read:

1063.2. (a) The association shall pay and discharge covered claims and in connection therewith pay for or furnish loss adjustment services and defenses of claimants when required by policy provisions. It may do so either directly by itself or through a servicing facility or through a contract for reinsurance and assumption of liabilities by one or more member insurers or through a contract with the liquidator, upon terms satisfactory to the association and to the liquidator, under which payments on covered claims would be made by the liquidator using funds provided by the association.

(b) The association shall be a party in interest in all proceedings involving a covered claim, and shall have the same rights as the insolvent insurer would have had if not in liquidation, including, but not limited to, the right to: (1) to appear, defend, and appeal a claim in a court of competent jurisdiction; (2) to receive notice of, investigate, adjust, compromise, settle, and pay a covered claim; and (3) to investigate, handle, and deny a noncovered claim. The association shall have no cause of action against the insureds of the insolvent insurer for any sums it has paid out, except as provided by this article.

(c) (1) If damages against uninsured motorists are recoverable by the claimant from his or her own insurer, such damages recoverable shall be a credit against a covered claim payable under this article. If damages against an insured who is not a resident of this state are recoverable by a claimant who is a resident of this state, in whole or in part, from any insolvency fund or its equivalent in the state where the insured is a resident, such damages recoverable shall be a credit against a covered claim payable under this article. A member insurer may recover in subrogation from the association only one-half of any amount paid by such insurer under uninsured motorist coverage for bodily injury or wrongful death (and nothing for a payment for anything else), in those cases where the injured person insured by such an insurer has proceeded under his or her uninsured motorist coverage on the ground that the tortfeasor is uninsured as a result of the insolvency of his or her liability insurer (an insolvent insurer as defined in this article), provided that such

member insurer shall waive all rights of subrogation against such tortfeasor. Any amount paid a claimant in excess of the amount authorized by this section may be recovered by action brought by the association.

(2) Any claimant having collision coverage on a loss which is covered by the insolvent company's liability policy shall first proceed against his or her collision carrier. Neither that claimant nor the collision carrier, if it is a member of the association, shall have the right to sue or continue a suit against the insured of the insolvent insurance company for such collision damage.

(d) The association shall continue coverage for covered claims under all insurance policies of the insolvent insurer that were in force on the date the liquidator was appointed until the insurance policy has expired in accordance with its terms, or has been replaced by the insured, or canceled at the insured's request, or has been canceled by the association as provided in this article.

(e) The association shall have authority to cancel insurance policies of the insolvent insurer by mailing or delivering to the insured at the last known address within this state a written notice of cancellation at least 10 days prior to the effective date of such cancellation, notwithstanding any statute or policy provision to the contrary.

(f) "Covered claims" shall not include any judgments against or obligations or liabilities of the insolvent insurer or the commissioner, as liquidator, or otherwise resulting from alleged or proven torts, nor shall any default judgment against the insolvent insurer, or against the insured of the insolvent insurer, be binding against the association.

(g) "Covered claims" shall not include any loss adjustment expenses, including adjustment fees and expenses, attorney fees and expenses, court costs, interest, and bond premiums, incurred prior to the appointment of a liquidator. The deductible provided for in paragraph (5) of subdivision (c) of Section 1063.1 shall apply to each person for each accident for which he makes a claim.

SEC. 3. Section 1063.14 of the Insurance Code is amended to read:

1063.14. (a) The plan of operation adopted pursuant to subdivision (c) of Section 1063 shall contain provisions whereby each member insurer is required to recoup over a reasonable length of time a sum reasonably calculated to recoup the assessments paid by the member insurer under this article by way of a surcharge on premiums charged for insurance policies to which this article applies. Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax or agents' commission.

(b) The amount of any surcharge shall be separately stated on either a billing or policy declaration sent to an insured. Billings or declarations covering policies of insurance subject to the provisions of Section 660, including, but not limited to, the policies described in

subparagraphs (i) and (ii) of paragraph (2) of subdivision (a) of Section 660, or 675 need not separately state a surcharge. The association shall determine the rate of the surcharge and the collection period for each category and these shall be mandatory for all member insurers of the association who write business in those categories. Member insurers who collect surcharges in excess of premiums paid pursuant to Section 1063.5 for an insolvent insurer shall remit the excess to the association as an additional premium within 120 days after the end of the collection period determined by the association. The excess shall be applied to reduce future premium charges for that insurer in the appropriate category.

(c) The plan of operation may permit a member insurer to omit collection of the surcharge from its insureds when the expense of collecting the surcharge would exceed the amount of the surcharge. However, nothing in this section shall relieve the member insurer of its obligation to recoup the amount of surcharge otherwise collectible.

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## CHAPTER 309

An act to amend Sections 226.5, 232, and 232.5 of the Civil Code, and to amend Sections 319, 321, 366.2,, 366.25, and 11401 of the Welfare and Institutions Code, relating to parent and child.

[Approved by Governor July 18, 1983 Filed with  
Secretary of State July 18, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 226.5 of the Civil Code is amended to read:

226.5. The State Department of Social Services or licensed county adoption agency shall interview the petitioners and all persons from whom consent is required and whose addresses are known as soon as possible and in the case of residents of California within 45 working days, excluding legal holidays, after the filing of the adoption petition. In order to facilitate these interviews, at the same time the petition is filed, the petitioner shall file with the district office of the State Department of Social Services or the licensed county adoption agency responsible for the investigation of the adoption, a copy of the petition together with the names, addresses, and phone numbers of all parties to be interviewed, if known.

SEC. 2. Section 232 of the Civil Code is amended to read:

232. (a) An action may be brought for the purpose of having any child under the age of 18 years declared free from the custody and control of either or both of his or her parents when the child comes within any of the following descriptions:

(1) The child has been left without provision for the child's identification by his or her parent or parents or by others or has been

left by both of his or her parents or his or her sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for the child's support, or without communication from the parent or parents, with the intent on the part of the parent or parents to abandon the child. The failure to provide identification, failure to provide support, or failure to communicate shall be presumptive evidence of the intent to abandon. If the parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by the parent or parents. In those cases in which the child has been left without provision for the child's identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home, licensed under Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivision, an action to declare the child free from the custody and control of the child's parents. When the requesting agency is a licensed county adoption agency, the county counsel, and if there is no county counsel, the district attorney shall institute such action.

(2) Who has been neglected or cruelly treated by either or both parents, if the child has been a dependent child of the juvenile court under any subdivision of Section 300 of the Welfare and Institutions Code and the parent or parents have been deprived of the child's custody for one year prior to the filing of a petition pursuant to this section. Physical custody by the parent or parents for insubstantial periods of time shall not serve to interrupt the running of the one year period.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when these controlled substances are used as part of a medically prescribed plan, or are morally depraved, if the child has been a dependent child of the juvenile court, and the parent or parents have been deprived of the child's custody continuously for one year immediately prior to the filing of a petition pursuant to this section. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child. Physical custody by the parent or parents for insubstantial periods of time shall not interrupt the running of the one year period.

(4) Whose parent or parents are convicted of a felony, if the facts of the crime of which the parent or parents were convicted are of



a nature so as to prove the unfitness of the parent or parents to have the future custody and control of the child.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be developmentally disabled or mentally ill, if, in the state or country in which the parent or parents reside or are hospitalized, the Director of Mental Health or the Director of Developmental Services, or their equivalent, if any, and the superintendent of the hospital of which, if any, the parent or parents are inmates or patients certify that the parent or parents so declared to be developmentally disabled or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are mentally disabled and are likely to remain so in the foreseeable future. As used in this subdivision "mentally disabled" means that a parent or parents suffer any mental incapacity or disorder which renders the parent or parents unable to adequately care for and control the child. The evidence of any two experts, each of whom shall be either a physician and surgeon, certified either by the American Board of Psychiatry and Neurology or under Section 6750 of the Welfare and Institutions Code, or a licensed psychologist who has a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders, shall be required to support a finding under this subdivision. If, however, the parent or parents reside in another state or in a foreign country, the evidence required by this subdivision may be supplied by the affidavits of two experts each of whom shall be either a physician and surgeon who is a resident of that state or foreign country, and who has been certified by a medical organization or society of that state or foreign country to practice psychiatric or neurological medicine, or by a licensed psychologist who has a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders and who is licensed in that state or authorized to practice in that country. If the rights of any parent are sought to be terminated pursuant to this subdivision, and the parent has no attorney, the court shall appoint an attorney for the parent pursuant to Section 237.5 whether or not a request for the appointment is made by the parent.

(7) Who has been in out-of-home placement under the supervision of the juvenile court, the county welfare department or other public or private licensed child-placing agency for a one-year period, if the court finds that return of the child to the child's parent or parents would be detrimental to the child and that the parent or parents have failed during that period, and are likely to fail in the future, to maintain an adequate parental relationship with the child, which includes providing both a home and care and control for the child.

The court shall make a determination that reasonable services have been provided or offered to the parents which were designed

to aid the parents to overcome the problems which led to the deprivation or continued loss of custody and that despite the availability of these services, return of the child to the parents would be detrimental to the child. The probation officer or social worker currently assigned to the case of the child shall appear at the termination proceedings.

Trial placement of the child in the physical custody of the parent or visitation of the child with the parent during the one-year period, when the trial placement or visitation does not result in permanent placement of the child with the parent, shall not serve to interrupt the running of the one year period.

(b) At all termination proceedings, the court shall consider the wishes of the child and shall act in the best interests of the child.

(c) A finding pursuant to this section shall be supported by clear and convincing evidence.

If the minor has been adjudged to be a dependent child of the court pursuant to Section 300 of the Welfare and Institutions Code, the court shall review and consider the contents of the juvenile court file in determining if the services offered were reasonable under the circumstances.

SEC. 3. Section 232.5 of the Civil Code is amended to read:

232.5. The provisions of this chapter shall be liberally construed to serve and protect the interests and welfare of the child. At all proceedings to declare a child free from parental custody and control, the court shall consider the wishes of the child, bearing in mind the age of the child, and shall act in the best interests of the child.

SEC. 4. Section 319 of the Welfare and Institutions Code is amended to read:

319. At the initial petition hearing the court shall examine such minor, the minor's parents, guardians, or other persons having relevant knowledge and hear the relevant evidence as the minor, the minor's parents or guardians or their counsel desires to present.

The probation officer shall report to the court on the reasons why the minor has been removed from the parent's custody, the need, if any, for continued detention, and on the available services and the referral methods to be used which would facilitate the return of the minor to the custody of the minor's parents or guardians. The court shall order the release of such minor from custody unless it finds any of the following:

(a) There is a substantial danger to the physical health of the minor or the minor is suffering severe emotional damage, and there are no reasonable means by which the minor's physical or emotional health may be protected without removing the minor from the parents' or guardians' physical custody.

(b) The minor has violated an order of the juvenile court or has escaped from the commitment of the juvenile court.

(c) The minor is a threat to the person or property of another or his or her parent or guardian or responsible relative is likely to flee

the jurisdiction of the court.

(d) The minor indicates an unwillingness to return home, if the minor has been sexually molested by a person residing in the home.

Whenever a court orders a minor detained, the court shall state the facts on which the decision is based.

When the minor is not released from custody the court may order that such minor be placed in an emergency shelter or other suitable licensed place or a place exempt from licensure designated by the juvenile court for a period not to exceed 15 judicial days.

SEC. 5. Section 321 of the Welfare and Institutions Code is amended to read:

321. When a hearing is held under the provisions of this article and no parent or guardian of such minor is present and no parent or guardian has had actual notice of the hearing, a parent or guardian of the minor may file an affidavit setting forth such facts with the clerk of the juvenile court and the clerk shall immediately set the matter for rehearing at a time within 24 hours, excluding Sundays and nonjudicial days from the filing of the affidavit. Upon the rehearing, the court shall proceed in the same manner as upon the original hearing.

If the minor, a parent or guardian or the minor's attorney or guardian ad litem, if either one or the other has been appointed by the court, requests evidence of the *prima facie* case, a rehearing shall be held within three judicial days to consider evidence of the *prima facie* case. If the *prima facie* case is not established, the minor shall be released from detention.

In lieu of a requested rehearing, the court may get the matter for trial within 10 days.

When the court ascertains that the rehearing cannot be held within three judicial days because of the unavailability of a witness, a reasonable continuance may be granted for a period not to exceed five judicial days.

SEC. 6. Section 366.2 of the Welfare and Institutions Code is amended to read:

366.2. (a) Every hearing conducted by the juvenile court reviewing the status of a dependent child shall be placed on the appearance calendar. The court shall advise all persons present at the hearing of the date of the future hearing, of their right to be present and represented by counsel.

(b) Notice of the hearing shall be mailed by the probation officer to the same persons as in the original proceeding, to the minor's custodian, and to counsel of record, by certified mail addressed to the last known address of the person to be notified, or shall be personally served on such persons, not earlier than 30 days nor later than 15 days preceding the date to which the hearing was continued.

(c) At least 16 days prior to the hearing the probation officer shall file a supplemental report with the court regarding the services offered to the family, the progress made, and, where relevant, the prognosis for return of the minor to the physical custody of his or her

parent or guardian, and make his or her recommendation for disposition. The probation officer shall provide the parent or parents with a copy of the report, including his or her recommendation for disposition, at least 14 days before the hearing.

(d) At the review hearing, the court shall order the return of the minor to the physical custody of his or her parents or guardians unless, by a preponderance of the evidence, it finds that return of the child would create a substantial risk of detriment to the physical or emotional well-being of the minor. The probation department shall have the burden of establishing such detriment. The failure of the parent or guardian to participate in any court-ordered treatment programs shall constitute prima facie evidence that return would be detrimental. In making its determination, the court shall review the probation officer's report and shall consider the efforts or progress, or both, demonstrated by the parent or guardian and the extent to which he or she cooperated and availed himself or herself of services provided; shall make appropriate findings; and where relevant, shall order any additional services reasonably believed to facilitate the return of the minor to the custody of his or her parent or guardian. The court shall also inform the parent or guardian that if the minor cannot be returned home by the next review hearing a proceeding pursuant to Section 232 of the Civil Code may be instituted.

SEC. 7. Section 366.25 of the Welfare and Institutions Code is amended to read:

366.25. (a) In order to provide stable, permanent homes for children, a court shall, if the minor cannot be returned home pursuant to subdivision (e) of Section 366.2, conduct a permanency planning hearing to make a determination regarding the future status of the minor no later than 12 months after the original placement and periodically, but no less frequently than once each 18 months, thereafter during the continuation of foster care. The permanency planning hearing may be combined with the six months' review as provided for in Section 366.

(b) Notice of the proceeding to conduct the review shall be mailed by the probation officer to the same persons as in an original proceeding, to the minor's present custodian, and to the counsel of record, by certified mail addressed to the last known address of the person to be notified, or shall be personally served on such persons not earlier than 30 days, nor later than 15 days prior to the date the review is to be conducted.

(c) At the hearing the court shall first determine whether the minor should be returned to his or her parent or guardian, pursuant to subdivision (e) of Section 366.2. If the minor is not returned to the custody of his or her parent or guardian the court shall determine whether there is a substantial probability that the minor will be returned to the physical custody of his or her parent or guardian within six months. If the court so determines it shall set another review hearing for not more than six months, which shall be a permanency planning hearing.

(d) If the court determines that the minor cannot be returned to the physical custody of his or her parent or guardian and that there is not a substantial probability that the minor will be returned within six months, the court shall develop a permanent plan for the minor. In order to enable the minor to obtain a permanent home the court shall make the following determinations and orders:

(1) If the court finds that the minor is adoptable, according to the provisions of this article, the court shall order the county counsel, or if there is no county counsel, the district attorney, to initiate an action to declare the minor permanently free from the custody and control of his or her parents or guardians pursuant to Section 232 of the Civil Code unless the court finds that any of the following conditions exist:

(A) The parents or guardians have maintained regular visitation and contact with the minor and the minor would benefit from continuing this relationship.

(B) A minor 12 years of age or older objects to termination of parental rights.

(C) The minor's foster parents are unable to adopt the minor because of exceptional circumstances which do not include an unwillingness to accept legal responsibility for the minor, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of his or her foster parents would be seriously detrimental to the emotional well-being of the minor.

(2) If the court finds that the minor is not adoptable or that one of the conditions in subparagraph (A), (B), or (C) of paragraph (1) apply, but that one or more adults are available and eligible to become legal guardians for the minor, the court shall order the appropriate county department to initiate or facilitate guardianship proceedings, unless the minor's foster parents are unable to become legal guardians of the minor because of exceptional circumstances which do not include an unwillingness to accept legal responsibility for the minor, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of his or her foster parents would be seriously detrimental to the emotional well-being of the minor.

(3) If the court finds that the minor is not adoptable and that there is not a suitable adult available to become the legal guardian of the child, the court shall order the county welfare department or probation department to facilitate the placement of the minor in a home environment that can reasonably be expected to be stable and permanent. When the minor is in a foster home and the foster parents are willing and capable of providing a stable and permanent environment, the minor shall not be removed from the home if the removal would be seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to the foster parents.

(e) Notwithstanding Section 1510 of the Probate Code, the proceeding for the appointment for a guardian for a minor under this

section shall be in the juvenile court. In such a case, the juvenile court shall have the power to appoint a guardian pursuant to the standards and procedures otherwise specified by the Probate Code.

(f) When an adoption of the minor has been granted, the court shall terminate its jurisdiction over the minor.

(g) Periodic reviews conducted by the court subsequent to the initial permanency planning hearing shall determine the appropriateness of the placement, the continuing appropriateness and extent of compliance with the permanent plan for the child, the extent of compliance with the case plan, and adequacy of services provided to the child.

(h) Physical custody of a minor by his or her parents or guardians for insubstantial periods during the 12-month period prior to a permanency planning hearing shall not serve to interrupt the running of such periods.

(i) Permanency planning hearings need not be held if (1) an action under Section 232 of the Civil Code has been commenced or (2) an action to establish a legal guardianship or appoint a legal guardian under the Probate Code has been commenced.

(j) Subsequent reviews shall be conducted every six months and be conducted by an administrative review board except when the court requires a court review or a court review is requested by the minor's parents or guardian or by the minor.

SEC. 8. Section 11401 of the Welfare and Institutions Code is amended to read:

11401. Aid in the form of AFDC-FC shall be provided under this chapter on behalf of any child under the age of 18, except as provided in Section 11403, who meets the conditions of subdivision (a), (b), or (c):

(a) The child has been relinquished, for purposes of adoption, to a licensed adoption agency, or the department, or the child has been declared free from the care, custody, and control of either or both of his or her parents after an action under the Civil Code has been brought by a licensed adoption agency or the department, provided that the licensed adoption agency or the department, if responsible for placement and care, provides to those children all services as required by the department to children in foster care.

(b) The child has been deprived of parental support or care due to any of the reasons set out under Section 11250, provided:

(1) The child has been removed from the physical custody of his or her parent or guardian.

(A) Has been adjudged a dependent child of the court on the grounds that he or she is a person described by Section 300.

(B) Has been adjudged a ward of the court on the grounds that he or she is a person described by Sections 601 and 602.

(C) Has been detained under a court order pursuant to Section 319 or 636 which remains in effect.

(2) The child has been voluntarily placed by his or her parent or guardian pursuant to Section 11401.1 or in a demonstration county,

pursuant to Chapter 5 (commencing with Section 16550) of Part 4 of this division.

(3) The child is living in the home of a nonrelated legal guardian.

(c) The child has been placed in foster care under the provisions of the federal Indian Child Welfare Act. The provisions of Sections 11402, 11404, and 11405 shall not be construed as limiting payments to Indian children, as defined in the federal Indian Child Welfare Act, placed in accordance with that act.

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## CHAPTER 310

An act to add Article 5 (commencing with Section 7370) to Chapter 2 of Part 2 of Division 6 of, and to add Section 12006 to, the Fish and Game Code, relating to fish and game.

[Approved by Governor July 18, 1983 Filed with  
Secretary of State July 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Article 5 (commencing with Section 7370) is added to Chapter 2 of Part 2 of Division 6 of the Fish and Game Code, to read:

### Article 5. Sturgeon

7370. It is unlawful to purchase or sell, or to offer to purchase or sell, the eggs from a sturgeon, a whole sturgeon with eggs, or any part thereof with eggs.

SEC. 2. Section 12006 is added to the Fish and Game Code, to read:

12006. Notwithstanding Section 12002, the punishment for a violation of Section 7370 or 8371 as that section relates to sturgeon is a fine not to exceed five thousand dollars (\$5,000); imprisonment in the county jail not to exceed one year; or both the fine and imprisonment.

SEC. 3. In accordance with Section 7100 of the Fish and Game Code, Section 7370, as added to the Fish and Game Code by this act, does not apply to the sale, purchase, or possession of artificially propagated sturgeon, sturgeon raised for sale for scientific study, and lawfully imported sturgeon, as specifically provided for in subdivision (b) of Section 8371 of the Fish and Game Code.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime

or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 311

An act to repeal Sections 7847.5 and 7847.6 of the Business and Professions Code, relating to geologists and geophysicists.

[Approved by Governor July 18, 1983 Filed with  
Secretary of State July 18, 1983]

*The people of the State of California do enact as follows:*

SECTION 1. Section 7847.5 of the Business and Professions Code is repealed.

SEC. 2. Section 7847.6 of the Business and Professions Code is repealed.

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## CHAPTER 312

An act to amend Sections 255, 257, 257.1, and 271 of the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor July 18, 1983 Filed with  
Secretary of State July 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 255 of the Revenue and Taxation Code is amended to read:

255. (a) Affidavits required for exemptions named in this article, except the church exemption, the veterans' exemption, the homeowners' exemption, and the religious exemption, shall be filed with the assessor between the lien date and 5 p.m. on March 15. Affidavits for the veterans' exemption shall be filed with the assessor between the lien date and 5 p.m. on April 15.

(b) Affidavits for the homeowners' exemption except as otherwise provided in Sections 255.1, 255.2, and 275, shall be filed with the assessor any time after the claimant becomes eligible but no later than 5 p.m. on April 15.

(c) Affidavits required for classification of vessels as documented vessels eligible for assessment under Section 227 shall be filed with the assessor between the lien date and 5 p.m. on April 1.

(d) Affidavits for the church exemption and religious exemption shall be filed with the assessor between the lien date and 5 p.m. on March 31.

(e) Notwithstanding the provisions of subdivision (a), any



claimant who has been found ineligible for the church exemption or the religious exemption after timely filing an affidavit therefor pursuant to subdivision (d), may file an affidavit for a welfare exemption. Affidavits for the welfare exemption filed pursuant to this subdivision shall be filed within 15 days from the date of notification by the assessor of the claimants ineligibility for the church exemption or the religious exemption.

SEC. 2. Section 257 of the Revenue and Taxation Code is amended to read:

257. (a) Any person claiming the religious exemption shall submit to the assessor an affidavit giving specific information relating to property tax exemption.

(b) The affidavit shall show that:

(1) The building, equipment, and land are used exclusively for religious purposes.

(2) The land claimed as exempt is required for the convenient use of the building.

(3) The property is owned by an entity organized and operating exclusively for religious purposes.

(4) The entity is nonprofit.

(5) No part of the net earnings inures to the benefit of any private individual.

(c) Any exemption granted pursuant to a claim filed in accordance with this section, once granted, shall remain in effect until such time as title to the property changes or the property is no longer used for exempt purposes. Any person who is granted an exemption pursuant to a claim filed in accordance with this section shall notify the assessor by June 30 if the property becomes ineligible for the exemption.

(d) Upon any indication that a religious exemption has been incorrectly allowed, the assessor shall make a redetermination of eligibility for the religious exemption. If the assessor determines that the property or any portion thereof is no longer eligible for the exemption, he or she shall immediately cancel the exemption on so much of the property as is no longer eligible for exemption.

If a religious exemption has been incorrectly allowed, an escape assessment as allowed by Article 4 (commencing with Section 531) of Chapter 3 in the amount of the exemption with interest as provided in Section 506 shall be made, together with a penalty for failure to notify the assessor, where applicable, in the amount of 10 percent of the assessment but not to exceed two hundred fifty dollars (\$250) in tax liability.

SEC. 3. Section 257.1 of the Revenue and Taxation Code is amended to read:

257.1. For the 1983-84 fiscal year and fiscal years thereafter, the assessor shall annually, prior to the lien date, mail a notice to every person who received the religious exemption for the previous fiscal year.

The notice shall be in a form and contain that information which

the board may prescribe, and shall set forth the circumstances under which the property may no longer be eligible for exemption and advise the person of the duty to inform the assessor if the property is no longer eligible for exemption.

The notice shall include a card which is to be returned to the assessor by any person who desires to maintain eligibility for the religious exemption. That card shall be in the following form:

To all persons who have received a religious exemption for the \_\_\_\_\_ fiscal year.

QUESTION: Will the property to which the exemption applies in the \_\_\_\_\_ fiscal year continue to be used exclusively for religious purposes in the \_\_\_\_\_ fiscal year?

Yes \_\_\_\_\_ No \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Failure to return this card does not of itself constitute a waiver of exemption as called for by the California Constitution, but may result in onsite inspection to verify exempt activity.

SEC. 4. Section 271 of the Revenue and Taxation Code is amended to read:

271. (a) Provided that an appropriate application for exemption is filed on or before the first day of March of the calendar year next succeeding the calendar year in which the property was acquired, any tax or penalty or interest thereon—

(1) Imposed upon property owned by any organization qualified for the college, cemetery, church, religious, exhibition, veterans' organization or welfare exemption which is acquired by such organization during a given calendar year, after the lien date but prior to the first day of the fiscal year commencing within that calendar year, when the property is of a kind which would have been qualified for the college, cemetery, church, religious, exhibition, veterans' organization or welfare exemption if it had been owned by such organization on the lien date, shall be canceled or refunded;

(2) Imposed upon property owned by any organization which would have qualified for the college, cemetery, church, religious, exhibition, veterans' organization or welfare exemption had the organization been in existence on the lien date, which was acquired by it during that calendar year after the lien date in that year but prior to the commencement of such fiscal year, and of a kind that presently qualifies for such exemption and that would have so qualified for such fiscal year had it been owned by such organization on such lien date and had the organization been in existence on such lien date, shall be canceled or refunded;

(3) Imposed upon property acquired after the beginning of any

fiscal year by an organization qualified for the college, cemetery, church, religious, exhibition, veterans' organization or welfare exemption and the property is of a kind which would have qualified for an exemption if it had been owned by such organization on the lien date, whether or not that organization was in existence on the lien date, shall be canceled or refunded in the proportion that the number of days for which the property was so qualified during the fiscal year bears to 365.

(b) Eighty-five percent of any tax or penalty or interest thereon imposed upon property which would be entitled to relief under the provisions of subdivision (a) or Section 214.01, except that an appropriate application for exemption was not filed within the time required by the applicable provision, shall be canceled or refunded provided that an appropriate application for exemption is filed after the last day on which relief could be granted under subdivision (a) or Section 214.01.

(c) Notwithstanding the provisions of subdivision (b), any tax or penalty or interest thereon exceeding two hundred fifty dollars (\$250) in total amount shall be canceled or refunded provided it is imposed upon property entitled to relief under subdivision (b) for which an appropriate claim for exemption has been filed.

(d) With respect to property acquired after the beginning of the fiscal year for which relief is sought, the provisions of subdivisions (b) and (c) shall apply only to that pro rata portion of any tax or penalty or interest thereon which would have been canceled or refunded had the property qualified for relief under paragraph 3 of subdivision (a).

SEC. 5. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 6. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

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## CHAPTER 313

An act to add Section 25503.18 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 18, 1983. Filed with  
Secretary of State July 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25503.18 is added to the Business and Professions Code, to read:

25503.18. Nothing in this division shall prohibit the issuance or transfer of any retail offsale beer and wine license to any person with respect to premises which are an integral part of the operations of a school for professional chefs owned by, or operated by or on behalf of, the licensee notwithstanding that a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler holds the ownership of any interest, directly or indirectly, in the premises or in the retail licensee, provided that each of the following conditions is met:

(a) The school is operated in conjunction with a bona fide eating place open to the public.

(b) The school has been in operation in a city with a population of less than one million for at least five years prior to the effective date of this section.

(c) The retail licensee shall purchase no beer or distilled spirits for sale in this state other than from a wholesale licensee, and the retail licensee shall purchase no alcoholic beverages for sale in this state from any wholesale licensee holding the ownership of any interest, directly or indirectly, in the premises or in the retail licensee.

The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exception established by this section to the general prohibition against tied interests must be limited to its express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

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## CHAPTER 314

An act to add Section 25503.17 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 18, 1983. Filed with  
Secretary of State July 18, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 25503.17 is added to the Business and Professions Code, to read:

25503.17. Nothing in this division shall prohibit the issuance or transfer of any retail onsale general license to any person with respect to premises which are an integral part of the operations of a school for professional chefs owned by, or operated by or on behalf of, the licensee, notwithstanding that a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler holds the ownership of any interest, directly or indirectly, in the premises or in the retail licensee, provided that each of the following conditions is met:

(a) The school is operated in conjunction with a bona fide eating place open to the public.

(b) The school has been in operation in a city with a population of less than one million for at least five years prior to the effective date of this section.

(c) The retail licensee shall purchase no beer or distilled spirits for sale in this state other than from a wholesale licensee, and the retail licensee shall purchase no alcoholic beverages for sale in this state from any wholesale licensee holding the ownership of any interest, directly or indirectly, in the premises or in the retail licensee.

The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exception established by this section to the general prohibition against tied interests must be limited to its express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

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## CHAPTER 315

An act to amend Sections 90012, 90065, and 90073 of, and to add Section 90108 to, the Education Code, relating to the California State University, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1983 Filed with  
Secretary of State July 19, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 90012 of the Education Code is amended to read:

90012. The board, for the purposes of this article has power and is hereby authorized, in addition to and amplification of all other powers conferred upon the board by the Constitution of the State of California or by any statute of the State of California:

(a) To acquire subject to the Property Acquisition Law, Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code, by grant, purchase, gift, devise, or lease, and to hold and use any real or personal property necessary or convenient or useful for the carrying on of any of its powers pursuant to the provisions of this article.

(b) To construct, operate and control any project.

(c) To fix rates, rents or other charges for the use of any project acquired, constructed, equipped, furnished, operated or maintained by the board, or for services rendered in connection therewith, and to alter, change or modify the same at its pleasure, subject to any contractual obligation which may be entered into by the board with respect to the fixing of rates, rents or charges.

(d) To enter into covenants to increase rates or charges from time to time as may be necessary pursuant to any contract or agreement with the holders of any bonds of the board.

(e) At any time and from time to time, with the approval of the State Board of Control, to issue revenue bonds in order to raise funds for the purpose of establishing any project or of acquiring lands for any project, or of acquiring, constructing, improving, equipping, furnishing, financing, or refinancing any project, including payment of principal and interest on revenue bond anticipation notes, or for any combination of these purposes, which bonds may be secured as hereinafter provided.

(f) At any time and from time to time, with the approval of the State Board of Control, to issue revenue bond anticipation notes pursuant to Section 90013.

(g) To adopt such rules and regulations as may be necessary to enable the board to exercise the powers and to perform the duties conferred or imposed upon the board by this article.

(h) Nothing contained in this section or elsewhere in this article shall be construed directly or by implication to be in anywise in derogation of or in limitation of powers conferred upon or existing in the board by virtue of provisions of the Constitution or statutes of this state.

SEC. 2. Section 90065 of the Education Code is amended to read:

90065. The board may insure against loss of revenues from any cause whatsoever and the proceeds of any insurance shall be used for the payment of bonds or notes and the interest thereon, or for other purposes as may be provided in an indenture.

SEC. 3. Section 90073 of the Education Code is amended to read:

90073. The proceeds from the sale of all bonds and notes authorized under the provisions of this article, except those proceeds used to redeem outstanding notes, shall be deposited forthwith by the Treasurer, on order of the Controller, in the State Treasury to the credit of a fund to be designated as the California State University Dormitory Construction Fund, which fund is hereby created. The money in the construction fund shall be expended, pursuant to claims filed by the board with the Controller, for the purposes authorized by this article, or as provided in the indenture or notes, and for any other purposes, subject to the restrictions provided by law, by the notes, or by the indenture, as may be authorized by resolution of the board approved by the State Board of Control. In carrying out these purposes, the money may be used to make loans to builders and developers for the establishment, acquisition, or construction of projects, to acquire leasehold interests in projects, or otherwise to provide funds for projects in any manner as the board may authorize by resolution approved by the State Board of Control. Moneys required to meet the costs of acquisition, construction, improvement, equipment, furnishing, financing, or refinancing of any project authorized by this article and all costs incident thereto shall be paid from the construction fund as herein provided upon claim filed by the board and after audit by the Controller in the manner provided by law and upon warrants drawn by the Controller.

SEC. 4. Section 90108 is added to the Education Code, to read:

90108. When, in the opinion of the trustees, the best interests of the California State University dictate, the trustees may enter into an agreement with a contractor for both the design and construction of a project under this chapter. The contractor shall design and build the project and present the completed project to the trustees for their approval and acceptance. Work under this section shall be carried out by a contractor chosen by a competitive bidding process which employs selection criteria in addition to cost. Any design work performed pursuant to this section shall be prepared and signed by an architect certificated pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the trustees greater flexibility in contract bidding and negotiations and in order to reduce costs and enhance construction projects vital to the California State University, it is necessary that this act take effect immediately.

## CHAPTER 316

An act to amend Section 4046 of the Business and Professions Code, relating to pharmacists.

[Approved by Governor July 19, 1983. Filed with  
Secretary of State July 19, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4046 of the Business and Professions Code is amended to read:

4046. (a) In recognition of and consistent with the decisions of the appellate courts of this state, the Legislature hereby declares the practice of pharmacy to be a profession.

(b) Pharmacy practice is a dynamic patient-oriented health service that applies a scientific body of knowledge to improve and promote patient health by means of appropriate drug use and drug-related therapy.

(c) Neither this chapter nor any other provision of law shall be construed to prohibit a registered pharmacist from:

(1) Furnishing to a prescriber a reasonable quantity of compounded medication for prescriber office use.

(2) Transmitting to another registered pharmacist a valid prescription.

(3) Administering, orally or topically, drugs and biologicals pursuant to a prescriber's order.

(4) Performing the following procedures or functions in a licensed health care facility in accordance with policies, procedures, or protocols developed by health professionals, including physicians and surgeons, pharmacists, and registered nurses, with the concurrence of the facility administrator: ordering or performing routine drug therapy related patient assessment procedures including temperature, pulse, and respiration; ordering drug therapy related laboratory tests; administering drugs and biologicals by injection pursuant to a prescriber's order (the administration of immunizations under the supervision of a prescriber may also be performed outside of a licensed health care facility); and initiating or adjusting the drug regimen of a patient pursuant to an order or authorization made by the patient's prescriber and in accordance with the policies, procedures, or protocols of the licensed health care facility. "Licensed health care facility" means a facility licensed pursuant to Article 1 (commencing with Section 1250) of Chapter 2 of Division 2 of the Health and Safety Code.

(d) Prior to performing any procedure authorized by paragraph (4) of subdivision (c), a registered pharmacist shall have received appropriate training as prescribed in the policies and procedures of the licensed health care facility.



## CHAPTER 317

An act to amend Section 76140 of the Education Code, relating to community college districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1983. Filed with  
Secretary of State July 19, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 76140 of the Education Code is amended to read:

76140. A community college district may admit and shall charge a tuition fee to nonresident students. The district may exempt from all or parts of the fee:

(a) All nonresidents who enroll for six or fewer units. Exemptions made pursuant to this subdivision shall not be made on an individual basis; or

(b) Any nonresident who is both a citizen and resident of a foreign country, provided that the nonresident has demonstrated a financial need for the exemption and not more than 10 percent of the nonresident foreign students attending any community college district may be so exempted. Exemptions made pursuant to this subdivision may be made on an individual basis.

A district may contract with a state, a county contiguous to California, the federal government, a foreign country, or an agency thereof, for payment of all or a part of a nonresident student's tuition fee.

Attendance of nonresident students shall not be reported as resident average daily attendance for state apportionment purposes, except as provided by statute in which case a nonresident tuition fee may not be charged.

The nonresident tuition fee shall be set by the governing board of each community college district not later than February 1 of each year for the succeeding fiscal year. Such fee may be paid in installments, as determined by the governing board of the district.

The fee established by the governing board pursuant to the preceding paragraph shall represent for nonresident students enrolled in 30 semester units or 45 quarter units of credit per fiscal year (a) the amount which was expended by the district for the current expense of education as defined by the California Community College Budget and Accounting Manual in the preceding fiscal year increased by the projected percent increase in the United States Consumer Price Index as determined by the Department of Finance for the current fiscal year and succeeding fiscal year and divided by the average daily attendance of all students (including nonresident students) attending in the district in the preceding fiscal year, or (b) the current expense of education in the

preceding fiscal year of all districts increased by the projected percent increase in the United States Consumer Price Index as determined by the Department of Finance for the current fiscal year and succeeding fiscal year and divided by the average daily attendance of all students (including nonresident students) attending all districts during the preceding fiscal year, or (c) an amount not to exceed the fee established by the governing board of any contiguous district. However, should the district's preceding fiscal year average daily attendance of all students attending in the district in noncredit courses be equal to or greater than 10 percent of the district's total average daily attendance of all students attending in the district, the district in calculating (a) above may substitute instead the data for current expense of education in grades 13 and 14 and average daily attendance in grades 13 and 14 of all students attending in the district.

The governing board of each community college district shall also adopt a tuition fee per unit of credit for nonresident students enrolled in more or less than 15 units of credit per term by dividing the fee determined in the preceding paragraph by 30 for colleges operating on the semester system and 45 for colleges operating on the quarter system and rounding to the nearest whole dollar. The same rate shall be uniformly charged nonresident students attending any terms or sessions maintained by the community college. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

Any loss in district revenue generated by the nonresident tuition fee shall not be offset by additional state funding.

The provisions of this section which require a mandatory fee for nonresidents shall not apply to any district which borders on another state and has fewer than 500 average daily attendance.

SEC. 2. Notwithstanding the February 1 deadline imposed by subdivision (b) of Section 76140 of the Education Code, the governing board of a community college district may increase the nonresident tuition fee established on or before February 1, 1983, for the 1983-84 fiscal year by setting a new fee for that fiscal year on or before August 1, 1983, pursuant to the other provisions of Section 76140.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit this act to become operative as early as possible in the 1983-84 fiscal year, and, by so doing, facilitate the orderly administration of the California Community Colleges, it is necessary that this act take effect immediately.

## CHAPTER 318

An act relating to public social services, and making an appropriation therefor, to take effect immediately, usual current expenses.

[Approved by Governor July 19, 1983. Filed with  
Secretary of State July 19, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. There is hereby appropriated the sum of six million seven hundred thousand dollars (\$6,700,000) from the Federal Trust Fund to the Social Welfare Federal Fund for allocation to counties by the State Department of Social Services to cover costs of providing services under the In-Home Supportive Services program provided for under Article 7 (commencing with Section 12300) of Chapter 3 of Part 2 of Division 9 of the Welfare and Institutions Code.

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

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CHAPTER 319

An act to amend Sections 5252, 5253, 5254, 5256, 5256.1, 5256.7, 5259.3, and 5263 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 20, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1 Section 5252 of the Welfare and Institutions Code is amended to read:

5252. A notice of certification is required for all persons certified for 14 days intensive treatment, and shall be in substantially the following form:

The authorized agency providing evaluation services in the County of \_\_\_\_\_ has evaluated the condition of:

Name \_\_\_\_\_

Address \_\_\_\_\_

Age \_\_\_\_\_

Sex \_\_\_\_\_

Marital status \_\_\_\_\_

We the undersigned allege that the above-named person is, as a result of mental disorder or impairment by chronic alcoholism:

(1) A danger to others.

(2) A danger to himself or herself.

(3) Gravely disabled as defined in paragraph (1) of subdivision (h) or subdivision (l) of Section 5008 of the Welfare and Institutions Code.

The specific facts which form the basis for our opinion that the above-named person meets one or more of the classifications indicated above are as follows:

(certifying persons to fill in blanks) \_\_\_\_\_

[Strike out all inapplicable classifications.]

The above-named person has been informed of this evaluation, and has been advised of the need for, but has not been able or willing to accept treatment on a voluntary basis, or to accept referral to, the following services:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We, therefore, certify the above-named person to receive intensive treatment related to the mental disorder or impairment by chronic alcoholism for no more than 14 days beginning this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, in the intensive treatment facility herein  
(Month)  
named \_\_\_\_\_.

(Date)  
Signed \_\_\_\_\_  
Signed \_\_\_\_\_  
Countersigned \_\_\_\_\_

(Representing facility)

I hereby state that I delivered a copy of this notice this day to the above-named person and that I informed him or her that unless judicial review is requested a certification review hearing will be held within seven days of the initial detention and that an attorney or advocate will visit him or her to provide assistance in preparing for the hearing or to answer questions regarding his or her commitment or to provide other assistance.

Signed \_\_\_\_\_

SEC. 2. Section 5253 of the Welfare and Institutions Code is amended to read:

5253. A copy of the certification notice shall be personally delivered to the person certified, the person's attorney, or the attorney or advocate designated in Section 5252. The person certified shall also be asked to designate any person who is to be sent a copy of the certification notice. If the person certified is incapable of making this designation at the time of certification, he or she shall

be asked to designate a person as soon as he or she is capable.

SEC. 3. Section 5254 of the Welfare and Institutions Code is amended to read:

5254. The person delivering the copy of the notice of certification to the person certified shall, at the time of delivery, inform the person certified that he or she is entitled to a certification review hearing, to be held within seven days of the initial detention of the person in accordance with Section 5256 unless judicial review is requested, to determine whether or not probable cause exists to detain the person for intensive treatment related to the mental disorder or impairment by chronic alcoholism. The person certified shall be informed of his or her rights with respect to the hearing, including the right to the assistance of another person to prepare for the hearing or to answer other questions and concerns regarding his or her involuntary commitment or both.

SEC. 4. Section 5256 of the Welfare and Institutions Code is amended to read:

5256. When a person is certified for intensive treatment pursuant to this article, a certification review hearing shall be held unless judicial review has been requested as provided in Sections 5275 and 5276. The certification review hearing shall be within seven days of the initial detention of the person unless postponed by request of the person or his or her attorney or advocate. Hearings may be postponed for 48 hours or, in counties with a population of 100,000 or less, until the next regularly scheduled hearing date.

SEC. 5. Section 5256.1 of the Welfare and Institutions Code is amended to read:

5256.1. The certification review hearing shall be conducted by either a court-appointed commissioner or a referee, or a certification review hearing officer. The certification review hearing officer shall be either a state qualified administrative law hearing officer, a medical doctor, a licensed psychologist, a registered nurse, a lawyer, a certified law student, or a licensed clinical social worker. Licensed psychologists, licensed clinical social workers, and registered nurses who serve as certification review hearing officers shall have had a minimum of five years experience in mental health. Certification review hearing officers shall be selected from a list of eligible persons unanimously approved by a panel composed of the local mental health director, the county public defender, and the county counsel or district attorney designated by the county board of supervisors. No employee of the county mental health program or of any facility designated by the county and approved by the State Department of Mental Health as a facility for 72-hour treatment and evaluation may serve as a certification review hearing officer.

The location of the certification review hearing shall be compatible with, and least disruptive of, the treatment being provided to the person certified. In addition, hearings conducted by certification review officers shall be conducted at an appropriate place at the facility where the person certified is receiving

treatment.

SEC. 6. Section 5256.7 of the Welfare and Institutions Code is amended to read:

5256.7. The person certified shall be given oral notification of the decision at the conclusion of the certification review hearing. As soon thereafter as is practicable, the attorney or advocate for the person certified and the director of the facility where the person is receiving treatment shall be provided with a written notification of the decision, which shall include a statement of the evidence relied upon and the reasons for the decision. The attorney or advocate shall notify the person certified of the certification review hearing decision and of his or her rights to file a request for release and to have a hearing on the request before the superior court as set forth in Article 5 (commencing with Section 5375). A copy of the decision and the certification made pursuant to Section 5250 shall be submitted to the superior court.

SEC. 7. Section 5259.3 of the Welfare and Institutions Code is amended to read:

5259.3. The professional person in charge of the facility providing intensive treatment, his or her designee, the attorney or advocate representing the person, the court-appointed commissioner or referee, the certification review hearing officer conducting the certification review hearing, and the peace officer responsible for the detainment of the person shall not be held civilly or criminally liable for any action by a person released at or before the end of 14 days pursuant to this article.

SEC. 8. Section 5263 of the Welfare and Institutions Code is amended to read:

5263. Copies of the second notice of certification for imminently suicidal persons, as set forth in Section 5262, shall be filed with the court and personally delivered to the person certified. A copy shall also be sent to the person's attorney, to the district attorney, to the public defender, if any, and to the facility providing intensive treatment.

The person certified shall also be asked to designate any person who is to be sent a copy of the certification notice. If the person certified is incapable of making such a designation at the time of certification, he or she shall be asked to designate such person as soon as he or she is capable.

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## CHAPTER 320

An act to add Section 4800.9 to the Civil Code, relating to community property.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 20, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4800.9 is added to the Civil Code, to read:

4800.9. (a) Notwithstanding Section 4800, in any case in which the parties do not agree in writing to a voluntary division of the community property and quasi-community property of the parties, the issue of the character, the value, and the division of the property may be submitted by the court to arbitration for resolution pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, if the total value of the community in the opinion of the court does not exceed twenty-five thousand dollars (\$25,000). The decision of the court as to the value of the community for purposes of this section shall not be appealable.

(b) The court may submit the matter to arbitration at anytime it believes the parties are unable to agree upon a division of the property.

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## CHAPTER 321

An act to amend Section 5473 of the Health and Safety Code, relating to sewerage charges.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 20, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5473 of the Health and Safety Code is amended to read:

5473. Any entity which has adopted an ordinance pursuant to this article or an order pursuant to Section 6520.5 may, by such ordinance or by separate ordinances or resolutions approved by a two-thirds vote of the members of the legislative body thereof, elect to have such charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes. In such event, it shall cause a written report to be prepared each year and filed with the clerk, which shall contain a description of each parcel of real property receiving such services and facilities and the amount of the charge for each parcel for the year, computed in conformity with the charges prescribed by the ordinance or resolution.

Any ordinance or resolution adopted pursuant to this section authorizing the collection of charges on the tax roll shall remain in effect for the time specified in the ordinance or resolution or, if no time is specified in the ordinance or resolution, until repealed or until a change is made in the rates charged by the entity.

The powers authorized by this section shall be alternative to all other powers of any entity, and alternative to other procedures adopted by the legislative body thereof for the collection of such charges.

The real property may be described by reference to maps prepared in accordance with Section 327, Revenue and Taxation Code, and on file in the office of the county assessor or by reference to plats or maps on file in the office of the clerk.

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## CHAPTER 322

An act to amend Section 6140 of the Business and Professions Code, relating to the State Bar of California.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 6140 of the Business and Professions Code is amended to read:

6140. (a) The board shall fix the annual membership fee as follows:

(1) For active members who have been admitted to the practice of law in this state for three years or longer at a sum not exceeding one hundred seventy-five dollars (\$175) for 1984 and one hundred eighty dollars (\$180) for 1985.

(2) For active members who have been admitted to the practice of law in this state for less than three years but more than one year preceding the first day of February of the year for which the fee is payable, at a sum not exceeding one hundred five dollars (\$105) for 1984 and one hundred fifteen dollars (\$115) for 1985.

(3) For active members who have been admitted to the practice of law in this state for less than one year preceding the first day of February of the year for which the fee is payable, at a sum not exceeding one hundred dollars (\$100).

(b) For the years commencing January 1, 1973, and ending December 31, 1985, the board may increase the annual membership fee fixed pursuant to subdivision (a) by an additional amount not exceeding ten dollars (\$10) in any or all of such years, the additional amount in any year to be applied only to the cost of land and buildings to be used to conduct the operations of the State Bar, including furniture, furnishings, equipment, architects' fees, construction and financing costs, landscaping and other expenditures incident to the acquisition, construction, furnishing and equipping of such land and buildings, the payment of interest on and the repayment of moneys borrowed for such purposes, and the reimbursement of the State Bar's treasury expended for those



purposes.

(c) The annual membership fee for active members is payable on or before the first day of February of each year.

This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

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## CHAPTER 323

An act to amend Section 1531 of, and to repeal Section 1531.1 of, the Code of Civil Procedure, to amend Sections 9997, 18632, 18711, 19610, 19610.5, 23095, 23954.5, 24012, 24013, and 24045 of, and to add Sections 24017, 24212, and 24310 to, the Business and Professions Code, to amend Sections 2558, 8263, 10106, 18024, 24701, 42238, 62000.5, and 89500 of, to add Sections 8279.1, 60247, 66905, 67301, and 92102 to, to add Article 4.5 (commencing with Section 92045) to Chapter 1 of Part 57 of, to add and repeal Section 71063.5 of, to repeal and add Section 62000 to, and to repeal Section 84896 of, the Education Code, to amend Sections 32812 and 32822 of the Financial Code, to amend Sections 1231, 3516, 3562, 8836, 8836.5, 12021.3, 12440, 13140, 13143, 13144, 13322, 13336.5, 13340, 14669, 15202, 15792, 15799, 15799.2, 15799.4, 15799.6, 16113, 16114, 16183, 16422, 17281, 17282, 17284, 19815.6, 19826, 19849.11, 27707.1, 68207, and 68562 of, to amend and renumber Sections 1232.3 and 1232.4 of, to add Sections 3517.7, 11011.8, 12024, 12429, 12439, 13304, 15331.1, 15332.1, 15333.1, 15334.1, 16115.5, 18850, 20603.6, 68562.1, and 92354 to, to add Chapter 10.5 (commencing with Section 4530) to Division 5 of Title 2 of, to add Article 2.5 (commencing with Section 13332) to Chapter 3 of Part 3 of Division 3 of Title 2 of, to repeal Sections 1232, 1232.1, 1232.2, 1232.5, 1232.6, 1232.7, 1232.8, 1232.9, 1232.10, 12132.11, 1232.12, 1232.13, 8835, and 13887.3 of, and to repeal Chapter 8 (commencing with Section 11995) of Part 1 of Division 3 of Title 2 of, the Government Code, to amend Sections 208.3, 289.7, 442.10, 1597.55, 1597.57, 1597.58, 13142.4, 25174, 25174.3, 25174.4, 25174.6, 25207, 25208, 25208.5, 33080, 34328.1, 50460, and 50913 of, to amend and renumber Section 1597.64 of, to add Sections 1597.64, 13142.5, 25174.8, 25174.9, 50009, 50154, and 50155 to, and to repeal Section 13142.2 of, the Health and Safety Code, to amend Section 1700.12 of, and to add Section 90.5 to, the Labor Code, to amend Section 502 of the Military and Veterans Code, to amend Sections 987.9 and 11105 of the Penal Code, to amend Sections 2804, 3825, 6217, and 30400 of the Public Resources Code, to amend Section 5003.1 of, and to repeal and add Chapter 2.5 (commencing with Section 401) to Part 1 of Division 1 of, the Public Utilities Code, to amend Sections 100.5, 6006, 6010, 6359, 7651, 8353, 8751, 10753, 10753.2, 11005, 17038, 17054, 17204, 17253, 17254, 17257, 19269, 23601.5, 23701, and 23772 of, to amend and renumber Section 17052.4 of, to amend and repeal Sections 17052.5 and 23601 of, to add

Sections 100.7 and 6359.45 to, to add and repeal Section 17204.2 of, and to repeal Sections 6359.2, 6359.4, 17204, 17204.3, 18693, and 25904 of, the Revenue and Taxation Code, to amend Section 13021 of, and to add Section 9614 to, the Unemployment Insurance Code, to amend Section 5106 of the Vehicle Code, to add Section 12938.2 to the Water Code, to amend Sections 303.1, 5705.1, 10606, 11450, 11452, 11453, 11460, 11461, 12201, 12201.5, 12205, 12301, 12301.2, 12303.5, 12303.7, 12304, 14005.7, 14005.12, 14006, 14021.5, 14087.2, 14165, 15200, 16706, 16707, 16709, 16715, 18969, 19350, 19353, 19354.5, 19355, and 19356 of, to amend and repeal Section 12200 of, to add Sections 4023, 11462.1, 12200, 12300.2, 13004, and 14023.7 to, to add Article 3.1 (commencing with Section 11315) to Chapter 2 of Part 3 of Division 9 of, to add and repeal Section 16709.1 of, to repeal and add Section 16704 to, and to repeal Sections 11315 and 13004 of, the Welfare and Institutions Code, to amend Section 41 of Chapter 10 of the 1983-84 First Extraordinary Session, to amend Section 7 of Chapter 1274 of the Statutes of 1982, to amend Section 74 of Chapter 1201 of the Statutes of 1982, to amend Sections 1 and 2 of Chapter 523 of the Statutes of 1982, to amend Section 5 of Chapter 502 of the Statutes of 1982, to amend Section 4 of Chapter 322 of the Statutes of 1982, to amend Section 1 of Chapter 796 of the Statutes of 1981, and to repeal Section 61 of Chapter 10 of the 1983-84 First Extraordinary Session, relating to fiscal affairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1983 Filed with  
Secretary of State July 21, 1983]

I object to the following sections contained in Assembly Bill No 223

SEC 97 5 -- I am eliminating the \$1 million reappropriation contained in this section for the purpose of funding a mental health program in private industry for displaced workers

I believe that mental health services for displaced workers should be funded as a part of legislation implementing such a program

SEC 149 3 -- I am eliminating this section which contains controlling language of appropriation and a specific appropriation

I believe the Budget Act appropriation which provides funding for the Driver Training Program from the Motor Vehicle Account is appropriate for the 1983-84 fiscal year

SEC. 149.41. -- I am eliminating the language contained in the section which would appropriate additional funds to the City of Avenal.

There is no indication that this city should receive special treatment at a time when all levels of government in California face serious fiscal constraints.

SEC 149 42 -- I am eliminating the language contained in this section which would appropriate additional funds to the City of Southgate

There is no indication that this city should receive special treatment at a time when all levels of government in California face serious fiscal constraints

SEC 151 14 -- I am eliminating the language contained in this section which would maintain funding for the Graduate Field Research Training Program in Ethnic/Minority Communities at the University of California at its 1982-83 fiscal year level for the 1983-84 fiscal year

While the program is effective and is expected to be continued by the University, I have eliminated the section because it limits flexibility of the University administration to allocate limited resources, and because it mandates state assumption of a program which the federal government may discontinue

SEC 151 5 -- I am eliminating this section. It would require that the Calaveras Fire Center be operated only as a joint fire center by the Department of Forestry and the California Conservation Corps

Funding for the Calaveras Fire Center has been eliminated from Item 3340-001-001. The California Conservation Corps no longer requires the use of this camp. In addition, the provision unnecessarily restricts the flexibility of other state agencies performing comparable fire suppression activities

SEC. 151 23 -- I am eliminating the language contained in this section which would reduce the appropriation for support of the Department of Finance if support for the Agricultural Labor Relations Board is reduced

I am eliminating this section because it abridges my constitutional authority to eliminate or reduce an item of appropriation.

SEC 151.28 -- I am eliminating the allocation of federal Jobs Bill money contained in this section

This section duplicates items in the 1983-84 Budget Act and is included here solely to limit my constitutional authority to reduce or eliminate items of appropriation. Since this language constitutes an appropriation I eliminate it

SEC 151.35 -- I am eliminating the claim of Beatrice Carrico Wood contained in this section

Claims against the State should be carefully reviewed before funds are appropriated. This claim should be resubmitted as part of the normal claims bill process or as a separate bill

SEC. 151 36 -- I am eliminating the appropriation for the 48th District Agricultural Association contained in this section.

This section provides a request for appropriation at some time in the future. Financial needs of the 48th District should be compared against competing demands for limited State resources. This request should be funded through the normal budgetary process

With the above deletions, I hereby approve Assembly Bill No 223

GEORGE DEUKMEJIAN, Governor

*The people of the State of California do enact as follows:*

SECTION 1. Section 1531 of the Code of Civil Procedure is amended to read:

1531. (a) Within 150 days after the receipt of property as required by Section 1532, the Controller shall cause a notice to be published, in a newspaper of general circulation which the Controller determines is most likely to give notice to the apparent owner of the property. The Controller need not publish any name the publication of which is not likely to give notice to the apparent owner.

(b) Each published notice shall be entitled "notice of names of persons appearing to be owners of unclaimed property," and shall contain the names in alphabetical order.

(c) Each published notice shall also contain a statement that information concerning the amount or description of the property may be obtained by any persons possessing an interest in the property by addressing any inquiry to the Controller.

(d) The Controller is not required to publish in such notice any item of less than fifty dollars (\$50) unless the Controller deems the publication to be in the public interest.

(e) Within 120 days from the final date for filing the report required by Section 1530, the Controller shall mail a notice to each person having an address listed therein who appears to be entitled to property of the value of twenty-five dollars (\$25) or more escheated under this chapter.

(f) The mailed notice shall contain:

(1) A statement that, according to a report filed with the Controller, property is being held to which the addressee appears entitled.

(2) The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder.

(3) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the Controller and all further claims must be directed to the Controller.

(g) This section is not applicable to sums payable on travelers checks, money orders, and similar written instruments that escheat under subdivision (c), (d), or (e) of Section 1513.

SEC. 1.4. Section 1531.1 of the Code of Civil Procedure is repealed.

SEC. 1.5. Section 9997 of the Business and Professions Code is amended to read:

9997. The bureau, subject to the approval of the director, shall charge the following fees:

(a) A filing fee which shall be set by the bureau at not more than one hundred dollars (\$100) for each new application for license.

(b) A filing fee which shall be set by the bureau at not more than one hundred dollars (\$100) for each new application for a branch office license.

(c) A filing fee which shall be set by the bureau at not more than fifty dollars (\$50) for application for examination or reexamination.

(d) A filing fee which shall be set by the bureau at not more than one hundred dollars (\$100) for application to transfer or assign a license.

(e) An annual license fee which shall be set by the bureau at not more than three hundred dollars (\$300) for an employment agency license, except that the annual license fee for an employment agency engaged exclusively in the business of procuring babysitting employment for others shall be set by the bureau at not more than seventy-five dollars (\$75).

(f) An annual license fee which shall be set by the bureau at not more than one hundred fifty dollars (\$150) for license of each branch office, except that the annual license fee for each branch office license for an employment agency engaged exclusively in the business of procuring babysitting employment for others shall be set by the bureau at not more than thirty-eight dollars (\$38).

(g) An interim employment agency license fee which shall be set by the bureau at not more than one hundred fifty dollars (\$150).

(h) A reinstatement fee of twenty-five dollars (\$25), in addition to the current renewal fee, to reinstate a license revoked or suspended.

No fees shall be prorated for the unexpired portion of the license year.

The fees shall be set by the bureau within the limits prescribed by this section in such amounts as it determines will be reasonably necessary to provide only sufficient revenue for the administration and enforcement of this chapter.

No change in the fees to be charged pursuant to this section shall be effective unless a public hearing is held at least 90 days prior to the proposed effective date of the change in fees. Notice of any proposed change in the fees to be charged pursuant to this section shall be provided in conformance to the provisions of subdivisions (a), (b), and (c) of Section 11346.4 of the Government Code at least 120 days prior to the effective date of the change in fees.

SEC. 1.55. Section 18632 of the Business and Professions Code is amended to read:

18632. (a) All moneys received by the commission under the provisions of this chapter shall be accounted for and reported by detailed statements furnished by the commission to the Controller at least once a month, and at the same time such moneys shall be remitted to the Treasurer and, except for money received pursuant to Article 10 (commencing with Section 18800), which shall be deposited in the General Fund to accounts created therein, shall be deposited in the Athletic Commission Fund in the State Treasury.

(b) The Athletic Commission Fund is hereby created in the State Treasury.

(c) The Director of Finance may allocate a loan from the General Fund to the Athletic Commission Fund which shall not exceed the amount appropriated in the Budget Act and other legislation in any fiscal year, to be repaid with interest upon such terms and conditions for repayment as may be prescribed by the Department of Finance. The loan shall be repaid by June 30 of each fiscal year.

(d) The commission shall have the right to the services of the Attorney General without charge for the 1983-84 fiscal year.

SEC. 1.56. Section 18711 of the Business and Professions Code is amended to read:

18711. Except as provided in subdivision (d) of Section 18653 and Section 18713, every club licensed under this chapter shall, within 72 hours after the determination of every contest, match, or exhibition for which an admission fee is charged and received, furnish to the commission a written report duly verified by one of its officers, showing the number of tickets issued or sold for such contest, match, or exhibition, the amount of the gross receipts or value thereof, and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of such contest, match, or exhibition, and without any deductions, except for expenses incurred for the announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross base taxable when such expense is shown as an indirect overhead or loss and is approved by the commission. Such club shall also, within the same time, pay to the commission a tax, exclusive of any federal taxes paid thereon, of one cent (\$0.01) for each twenty cents (\$0.20), or fraction thereof, of the amount paid for admission to such contest, match, or exhibition, and of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall such tax be less than fifty dollars (\$50). The tax on admissions applies to the amount actually paid for admission, and not to the regular established price. No tax is due in the case of a person admitted free of charge.

SEC. 1.57. Section 19610 of the Business and Professions Code is amended to read:

19610. Every association which conducts a racing meeting shall deduct 15 percent of the total amount handled in conventional parimutuel pools and 16.75 percent of the total amount handled in exotic parimutuel pools, except that any association conducting a racing meeting between August 1, 1983, and July 1, 1984, shall deduct 17.75 percent of the total amount handled in exotic parimutuel pools. The amounts as deducted shall be distributed as prescribed in this chapter.

SEC. 1.58. Section 19610.5 of the Business and Professions Code is amended to read:

19610.5. (a) In addition to the amounts required to be paid as license fees under any other provision of this chapter, every association, except an association conducting a racing meeting pursuant to Section 19612.6, shall pay 1 percent of its exotic parimutuel pools to the state as an additional license fee.

(b) In addition to the amounts required to be paid as license fees under subdivision (a) or any other provision of this chapter, every association conducting a racing meeting between August 1, 1983, and July 1, 1984, that deducts 17.75 percent of the total amount handled in exotic parimutuel pools pursuant to Section 19610 shall pay 1 percent of the exotic parimutuel pool to the state as an additional license fee.

SEC. 2.1. Section 23095 of the Business and Professions Code is amended to read:

23095. (a) Whenever a decision of the department suspending a license for 30 days or less becomes final, whether by failure of the licensee to appeal the decision or by exhaustion of all appeals and judicial review, the licensee may, before the operative date of the suspension, petition the department for permission to make an offer in compromise, to be paid into the Alcohol Beverage Control Fund, consisting of a sum of money in lieu of serving the suspension. Upon the receipt of the petition, the department may stay the proposed suspension and cause any investigation to be made which it deems desirable and may grant the petition if it is satisfied (a) that the public welfare and morals would not be impaired by permitting the licensee to operate during the period set for suspension and that the payment of the sum of money will achieve the desired disciplinary purposes; (b) that the books and records of the licensee are kept in such a manner that the loss of sales of alcoholic beverages which the licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom. The offer in compromise shall be the equivalent of 20 percent of the estimated gross sales of alcoholic beverages for each day of the proposed suspension, and the offer in compromise shall be not less than seven hundred fifty dollars (\$750) or more than six thousand dollars (\$6,000).

(b) Notwithstanding any other provision of this division, the department may accept an offer in compromise from a retail licensee in the equivalent of 20 percent of the estimated gross sales of alcoholic beverages for each day of a proposed suspension and the offer in compromise shall be not less than three hundred dollars (\$300) or more than one thousand five hundred dollars (\$1,500) provided the petitioning retailer has had no other accusation filed against him by the department during the prior three years from the date of the petition which has resulted in a final decision to suspend or revoke the retail license concerned.

This subdivision does not affect the provisions of Section 24755.1.

(c) Notwithstanding the provisions of subdivision (a), the offer in compromise for nonretail licensees shall be the equivalent of 20 percent of the estimated gross sales of alcoholic beverages for each day of the proposed suspension, and the offer in compromise shall not exceed ten thousand dollars (\$10,000) unless the nonretail licensee has violated Section 25500, 25502, 25503, or 25600 by giving to any licensee illegal inducements, secret rebates, or free goods

amounting to more than ten thousand dollars (\$10,000) in value, in which case the offer in compromise shall be equal to the value of the illegal inducements, secret rebates, or free goods given. All moneys collected as a result of penalties imposed under this subdivision shall be deposited directly in the General Fund in the State Treasury, rather than the Alcoholic Beverage Control Fund as provided for in Section 25761.

SEC. 2.2. Section 23954.5 of the Business and Professions Code is amended to read:

23954.5. An applicant for an original on-sale general license shall, at the time of filing the application for the license, accompany the application with a fee of six thousand dollars (\$6,000). At the time of filing an application for a license, an applicant for an original on-sale general license for seasonal business shall accompany the application with a fee of four thousand five hundred dollars (\$4,500). An applicant for an original on-sale beer and wine license shall accompany the application with a fee of three hundred dollars (\$300). An applicant for an original on-sale beer license shall accompany the application with a fee of two hundred dollars (\$200). An applicant for an original off-sale general license shall, at the time of filing the application for the license, accompany the application with a fee of six thousand dollars (\$6,000). An applicant for an original off-sale beer and wine license or an original license not specified in this section, shall accompany the application with a fee of one hundred dollars (\$100).

“Original on-sale general license,” “original on-sale general license for seasonal business,” “original on-sale beer and wine license,” “original on-sale beer license,” “original off-sale general license,” and “original off-sale beer and wine license,” as used in this division, does not include a license issued upon renewal or transfer of a license.

All money collected from the fees provided for in this section shall be deposited directly in the General Fund in the State Treasury, rather than in the Alcohol Beverage Control Fund as provided in Section 25761.

SEC. 2.3. Section 24012 of the Business and Professions Code is amended to read:

24012. Upon receipt by the department of a petition for a license in proper form, the petition shall be set for hearing, as provided in Section 24017.

SEC. 2.4. Section 24013 of the Business and Professions Code, as amended by Section 4 of Chapter 1189 of the Statutes of 1982, is amended to read:

24013. Protests may be filed at any office of the department at any time within 30 days from the first date of posting the notice of intention to engage in the sale of alcoholic beverages at the premises.

The department may reject protests, except protests made by a public agency or public official or protests made by the governing body of a city or county, if it determines the protests are false, vexatious, or without reasonable or probable cause at any time before



hearing thereon, notwithstanding the provisions of Section 24016 or 24300. The department shall also reject any protests against an off-sale beer and wine retail alcoholic beverage license which are based on evidence, information or conditions resulting from operation of the premises, such as operating hours, parking availability or operating noise, not resulting solely from the sale of alcoholic beverages. If the department rejects a protest as provided in this section and issues a license, a protestant whose protest has been rejected may, within 10 days after the issuance of the license, file an accusation with the department alleging the grounds of protest as a cause for revocation of the license and the department shall hold a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code and as provided in Section 24017.

Nothing in this section shall be construed as prohibiting or restricting any right which the individual making the protest might have to a judicial proceeding.

This section shall remain in effect until January 1, 1984, and as of that date is repealed.

SEC. 2.5. Section 24013 of the Business and Professions Code, as added by Section 5 of Chapter 1189 of the Statutes of 1982, is amended to read:

24013. Protests may be filed at any office of the department at any time within 30 days from the first date of posting the notice of intention to engage in the sale of alcoholic beverages at such premises.

The department may reject protests, except protests made by a public agency or public official or protests made by the governing body of a city or county, if it determines the protests are false, vexatious, or without reasonable or probable cause at any time before hearing thereon, notwithstanding the provisions of Section 24016 or 24300. If the department rejects a protest as provided in this section and issues a license, a protestant whose protest has been rejected may, within 10 days after the issuance of the license, file an accusation with the department alleging the grounds of protest as a cause for revocation of the license and the department shall hold a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code and as provided in Section 24017.

Nothing in this section shall be construed as prohibiting or restricting any right which the individual making the protest might have to a judicial proceeding.

This section shall take effect January 1, 1984.

SEC. 2.6. Section 24017 is added to the Business and Professions Code, to read:

24017. (a) Any person requesting a hearing pursuant to Sections 24011 to 24016, inclusive, shall deposit seven hundred fifty dollars (\$750) with the department. Notwithstanding any other provision of law, the department shall not set the matter for hearing until the

deposit is made, except as provided in subdivision (d).

(b) If a proposed decision upholding the person requesting a hearing is subsequently filed with the department by the hearing officer conducting the hearing, the department shall refund the full amount deposited.

(c) If a proposed decision not upholding the person requesting the hearing is filed with the department by the hearing officer conducting the hearing and the department subsequently finalizes that decision, and:

(1) The actual costs to the department for the filing fee, hearing officer, and reporter or recorder, as determined by the Office of Administrative Hearings, are less than the amount deposited, the excess of the amount deposited shall be refunded; or

(2) The actual costs to the department for the filing fee, hearing officer, and reporter or recorder, as determined by the Office of Administrative Hearings, are more than the amount deposited, the losing party shall pay to the department the difference.

(d) The department may waive any or all of the fees required by this section in any case where it determines that imposition of the fees would impose a financial hardship, or where it determines that the administrative costs of collecting the fee would be prohibitive.

(e) The department shall deposit all fees collected pursuant to this section in the General Fund.

(f) The department may adopt such rules as it determines to be necessary for the administration of this section.

SEC. 2.7. Section 24045 of the Business and Professions Code is amended to read:

24045. All retailer's on-sale licenses, except on-sale general licenses for seasonal businesses and daily on-sale general licenses issued pursuant to Section 24045.1, shall be issued on a calendar-year basis, except that the department may issue and renew on-sale beer licenses and on-sale beer and wine licenses on a quarterly basis for the remainder of the calendar year where the privilege of such licenses is exercised only a portion of each year; provided, however, that the department may issue special licenses for the sale of beer or wine on a temporary basis for premises temporarily occupied by the licensee for a picnic, social gathering, or similar occasion at a fee not to exceed fifteen dollars (\$15) per day as determined by the department. All other licenses shall be issued on the basis of a fiscal year, commencing July 1st and ending June 30th.

SEC. 2.8. Section 24212 is added to the Business and Professions Code, to read:

24212. (a) Whenever a respondent licensee requests a hearing or files a notice of defense pursuant to Sections 11505 to 11506, inclusive, of the Government Code, and a tentative decision upholding the department is filed by the hearing officer conducting the hearing and the department subsequently adopts that decision, the respondent shall pay to the department the actual costs to the department for the filing fee, hearing officer, and reporter or

recorder, as determined by the Office of Administrative Hearings, in addition to any other penalties or fees assessed under any other provision of law.

(b) If the fees required by this section are not paid within 30 days of the adoption of the final decision by the department, the license is automatically suspended indefinitely. The license may be reactivated by the department only:

(1) Upon the payment of all fees due the department under this section, plus a penalty fee equal to 10 percent of the amount due and

(2) In accordance with rules promulgated by the department.

(c) The department shall deposit all fees collected pursuant to this section in the General Fund.

SEC. 2.9. Section 24310 is added to the Business and Professions Code, to read:

24310. Any person requesting a transcript of a department hearing shall pay to the department the actual cost of that transcript, as determined by the Office of Administrative Hearings. The department shall deposit all fees collected pursuant to this section in the General Fund.

SEC. 5. Section 2558 of the Education Code is amended to read:

2558. Notwithstanding any other provision of law, for the 1979–80 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall apportion state aid to county superintendents of schools pursuant to the provisions of this section.

(a) The Superintendent of Public Instruction shall total the amounts computed for the fiscal year pursuant to Sections 2550, 2551, 2551.3, 2552, 2554, 2555, and 2557. For the 1979–80 fiscal year and for purposes of calculating the 1979–80 fiscal year base amounts in succeeding fiscal years, the amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as they read in the 1979–80 fiscal year, shall be multiplied by a factor of 0.994. For the 1981–82 fiscal year and for purposes of calculating the 1981–82 fiscal year base amounts in succeeding fiscal years, the amount in this subdivision shall be multiplied by a factor of 0.97.

(b) For the 1983–84 fiscal year and each fiscal year thereafter, the amount computed in subdivision (a) shall be reduced by the amount of the decreased contributions to the Public Employees' Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982. For the 1983–84 fiscal year and each fiscal year thereafter, the decreased contributions shall be based on the 1982–83 salaries of employees participating in the Public Employees' Retirement System during the 1982–83 fiscal year. For the purposes of this subdivision, no reduction shall be made for decreased contributions for positions that were funded totally from federal funds during the 1982–83 fiscal year.

(c) The Superintendent of Public Instruction shall also subtract from the amount determined in subdivision (a) the sum of: (1) local property tax revenues received pursuant to Section 2573 in the then current fiscal year, and tax revenues received pursuant to Section

2556 in the then current fiscal year, (2) state and federal categorical aid for the fiscal year, (3) district contributions pursuant to Section 52321 for the fiscal year, and other applicable local contributions and revenues, and (4) any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978-79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292, Statutes of 1978, as amended by Chapter 51, Statutes of 1979.

(d) The remainder computed in subdivision (c) shall be distributed in the same manner as state aid to school districts from funds appropriated to Section A of the State School Fund.

(e) If the remainder determined pursuant to subdivision (c) is a negative amount, no state aid shall be distributed to that county superintendent of schools pursuant to subdivision (d), and an amount of funds of that county superintendent equal to such negative amount shall be deemed restricted and not available for expenditure during the current fiscal year. In the next fiscal year, such amount shall be considered local property tax revenue for purposes of the operation of paragraph (1) of subdivision (c) of this section.

SEC. 5.5. Section 8263 of the Education Code is amended to read:

8263. (a) The Superintendent of Public Instruction shall adopt such rules and regulations on eligibility, enrollment, and priority of services as needed to implement this chapter. In order to be eligible for federal and state subsidized child development services, families shall meet at least one requirement in each of the following areas:

(1) A family shall be (A) a current aid recipient, (B) income eligible, or (C) one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited; and

(2) A family shall need the child care service because the child is identified by a legal, medical, or social service agency as being (A) a recipient of protective services, (B) being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation, or (C) having a medical or psychiatric special need which cannot be met without provision of child day care, or the parents are (i) engaged in vocational training leading directly to a recognized trade, paraprofession, or profession, (ii) employed or seeking employment, or (iii) incapacitated, including a medical or psychiatric special need which cannot be met without provision of child day care.

(b) Priority for state and federally subsidized child development services shall be as follows:

(1) First priority shall be given to recipients of child protective services for children who are neglected or abused, or at risk of being neglected or abused, upon written referral from a legal, medical, or social service agency. When an agency is unable to enroll a child in the first priority category, the agency shall refer the family to local resource and referral services to locate services for the child.

(2) Second priority shall be equally given to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income shall be admitted first. For purposes of determining order of admission, the grants of public assistance recipients shall be counted as income.

(c) A physical examination and evaluation, including age-appropriate immunization, shall be required prior to, or within six weeks of, enrollment. No standard, rule, or regulation shall require medical examination or immunization for admission to a child care and development program of a child whose parent or guardian files a letter with the governing board of the child care and development program stating that such medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of a parent or guardian having filed such letter. However, whenever there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child shall be temporarily excluded from the program until the governing board of the child care and development program is satisfied that any contagious or infectious disease does not exist.

(d) Regulations formulated and promulgated pursuant to this section shall include the recommendations of the State Department of Health Services relative to health care screening and the provision of health care services. The Superintendent of Public Instruction shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of ill or disabled children.

(e) The Superintendent of Public Instruction shall establish a fee schedule for families utilizing child care and development services pursuant to this chapter. AFDC and SSI/SSP grants shall be considered as part of gross income for the purpose of determining the fees to be paid by a family utilizing child care and development services pursuant to this chapter. Insofar as federal funds are utilized, this fee schedule shall conform to that allowed by the federal social service regulations as designated in the California State Plan for Social Services.

(f) The Superintendent of Public Instruction shall establish guidelines according to which the director or a duly authorized representative of the child care and development program will certify children as eligible for state reimbursement pursuant to this section.

(g) No public funds shall be paid directly or indirectly to any agency which does not pay at least the minimum wage to each of its employees.

SEC. 6. Section 8279.1 is added to the Education Code, to read:

8279.1. (a) The Legislature recognizes that child care programs have made valuable contributions towards ensuring that public assistance recipients will be able to accept and maintain employment

or employment-related training. Therefore, it is the intent of the Legislature that the Superintendent of Public Instruction ensure that counties comply with the requirements of Section 8279.

(b) The Superintendent of Public Instruction shall ensure each county's compliance with Section 8279 by doing all of the following:

(1) The Superintendent of Public Instruction shall not issue funds to a local child care contractor within a county until the Superintendent of Public Instruction has received written certification from that county that the level of expenditure for child care services provided by the county has been maintained at the 1970-71 fiscal year level pursuant to Section 8279. Funding provided by a county to a local child care contractor shall not adversely affect the reimbursement received by the agency from the Superintendent of Public Instruction pursuant to Section 8265, 8265.5, 8266, or 8266.5.

SEC. 6.5. Section 10106 of the Education Code is amended to read:

10106. The Commission on Teacher Credentialing shall serve as a clearinghouse for bilingual-crosscultural teaching personnel. The commission shall compile, continually update, and maintain a directory of bilingual-crosscultural teachers available to teach in bilingual education programs. The commission shall, upon request, assist school districts in the recruitment of these teachers.

SEC. 9. Section 18024 of the Education Code is amended to read:

18024. (a) A fund is hereby created in the State Treasury to be known as the Public Library Fund.

(b) The Controller shall transfer on January 1, 1984, from the General Fund to the Public Library Fund the amount necessary to meet the state's obligations under this chapter for the remainder of the 1983-84 fiscal year.

(c) The Controller shall transfer on July 1, 1984, and on July 1 of each year thereafter, from the General Fund to the Public Library Fund the amount necessary to meet the state's obligation under this chapter for that particular fiscal year.

SEC. 13. Section 24701 of the Education Code is amended to read:

24701. (a) Annual cost-of-living adjustments for retirants, disabilitants, and beneficiaries in excess of the 2-percent adjustment authorized by Section 22131 may be included as a General Fund appropriation in the annual Budget Act. In the annual budget submitted to the Legislature, the Governor shall include a budget item equal to 5 percent of the average annualized statewide increase in payroll for certificated personnel over the three previous school years among school districts, county offices of education, and community college districts.

The amount submitted in the Budget Act pursuant to this section shall be considered as part of the overall budget allocations to the public schools and community colleges.

(b) The annual appropriation shall be made to the State Teachers' Retirement System on July 1, and shall be placed in a segregated account called the Retirees' Purchasing Power Protection Account.

The proceeds of that account are continuously appropriated and shall be distributed annually in quarterly payments commencing on September 1 to retirants, disabilitants, and beneficiaries as follows:

(1) The proceeds shall be allocated among those retirants, disabilitants, and beneficiaries whose allowances, after applying the 2-percent adjustment authorized by Section 22131, have the lowest purchasing power percentage, based on the amount that would be paid had the original allowance been increased by increases in the index then being used by the Department of Finance to measure changes in the cost of living, increasing those allowances to a common minimum purchasing power level. In any year in which the purchasing power of the allowances of all retirants, disabilitants, and beneficiaries equals not less than 75 percent and additional funds remain from the allocation authorized by this section, those funds shall be allocated by the board to general accounts to reduce the unfunded actuarial liability of the fund.

(2) The board may deduct from the annual appropriation an amount necessary for administrative expenses to implement this section.

(c) The board shall inform each recipient of benefits under subdivision (b) that the increases are not cumulative, not part of the base retirement allowance, and will be available only as appropriated annually in the state Budget Act.

(d) The adjustments authorized by this section shall not be included in the base allowance for purposes of calculating the 2-percent adjustment authorized by Section 22131.

SEC. 16. Section 42238 of the Education Code is amended to read:

42238. (a) For the 1980-81 fiscal year and each fiscal year thereafter the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section, excluding any funds resulting from an adjustment pursuant to Section 42950, as it read prior to its amendment by Chapter 238 of the Statutes of 1979.

(b) For the 1980-81 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1979-80 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42237, shall receive the maximum inflation adjustment if that revenue limit is less than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, one thousand seven hundred dollars (\$1,700).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand three hundred fifty dollars (\$1,350).

(3) High school districts with less than 301 units of average daily attendance, one thousand nine hundred dollars (\$1,900).

(4) High school districts with more than 300 units of average daily attendance, one thousand seven hundred dollars (\$1,700).

(5) Unified districts with less than 1,501 units of average daily attendance, one thousand five hundred twenty-five dollars (\$1,525).

(6) Unified districts with more than 1,500 units of average daily

attendance, one thousand five hundred dollars (\$1,500).

(c) For the 1980–81 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1979–80 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42237 shall receive the minimum inflation adjustment if that revenue limit is more than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, two thousand two hundred dollars (\$2,200).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand eight hundred fifty dollars (\$1,850).

(3) High school districts with less than 301 units of average daily attendance, two thousand four hundred dollars (\$2,400).

(4) High school districts with more than 300 units of average daily attendance, two thousand two hundred dollars (\$2,200).

(5) Unified districts with less than 1,501 units of average daily attendance, two thousand twenty-five dollars (\$2,025).

(6) Unified districts with more than 1,500 units of average daily attendance, two thousand dollars (\$2,000).

(d) For the 1981–82 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1980–81 fiscal year pursuant to this section shall receive the maximum inflation adjustment if that revenue limit is less than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, one thousand nine hundred seventy-nine dollars (\$1,979).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand five hundred seventy-three dollars (\$1,573).

(3) High school districts with less than 301 units of average daily attendance, two thousand two hundred nineteen dollars (\$2,219).

(4) High school districts with more than 300 units of average daily attendance, one thousand nine hundred seventy-six dollars (\$1,976).

(5) Unified districts with less than 1,501 units of average daily attendance, one thousand eight hundred twenty-two dollars (\$1,822).

(6) Unified districts with more than 1,500 units of average daily attendance, one thousand seven hundred twenty-four dollars (\$1,724).

For computation of revenue limits for the 1982–83 fiscal year and each fiscal year thereafter, the amounts specified in paragraphs (1) through (6) shall be cumulatively increased by the amount of the maximum inflation adjustment for the preceding fiscal year.

(e) For the 1981–82 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1980–81 fiscal year pursuant to this section shall receive the minimum inflation adjustment if that revenue limit is more than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, two thousand three hundred fourteen dollars (\$2,314).

(2) Elementary districts with more than 100 units of average daily



of funds allocated therefor pursuant to subdivision (a).

(d) This section shall remain in effect only until July 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends that date.

SEC. 24.5. Section 84896 of the Education Code is repealed.

SEC. 24.7. Section 89500 of the Education Code is amended to read:

89500. (a) Notwithstanding any other provision of law, the trustees shall provide by rule for the government of their appointees and employees, pursuant to the provisions of this chapter and other applicable provisions of law, including, but not limited to, appointment, classification, terms, duties, pay and overtime pay, travel expenses and allowances, rates for housing and lodging, except that no charges shall be assessed against residences occupied by the Chancellor or the presidents during the 1983-84 fiscal year, leave of absence, tenure, vacation, layoff, dismissal, demotion, suspension, sick leave and reinstatement.

The rules adopted by the trustees relating to tenure, layoff, dismissal, demotion, suspension, and reinstatement of academic and administrative employees shall be adopted on or before February 1, 1962, and become effective on July 1, 1962, with respect to employees who are academic teaching and administrative employees as defined in subdivision (1) (e) of Section 24301, as added by Chapter 1010 of the Statutes of 1972.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 29. Article 4.5 (commencing with Section 92045) is added to Chapter 1 of Part 57 of the Education Code, to read:

#### Article 4.5. Lease-Purchase Agreements

92045. The Regents of the University of California may not enter into a lease-purchase agreement with another entity, public or private, which involves building space, unless the agreement is reviewed and approved by the Legislature by statute.

SEC. 30. Section 92102 is added to the Education Code, to read:

92102. Notwithstanding any other provision of law, the portion of each sum of money which has been or is appropriated or allocated to the Regents of the University of California for capital outlay which remains after the purpose for which each sum was appropriated or allocated has been accomplished, and which has been or is withdrawn from the State Treasury by the Regents of the University of California pursuant to the provisions of Section 92100, together

with increments, by way of interest or otherwise, on the appropriation or allocation, shall be used and expended by the Regents of the University of California in executing and furthering the building and improvement program of the University of California.

These sums shall not be allocated by the Regents of the University of California to projects for the purpose of augmenting a project without prior approval of the State Public Works Board of the requested augmentation.

Each sum shall be available for expenditure in payment of any encumbrances incurred without regard to fiscal years. However, any unencumbered balances existing as of the date on which each appropriation or allocation otherwise would lapse shall then revert to the General Fund.

SEC. 31. Section 32812 of the Financial Code is amended to read:

32812. The Controller shall transfer into the fund from the General Fund and from the Energy Resources Program Account in the General Fund all moneys required to meet the loan requests of the corporation, subject to the following terms and conditions:

(a) The amount transferred to the fund from the General Fund shall not exceed one million five hundred thousand dollars (\$1,500,000).

(b) The amount transferred to the fund from the Energy Resources Programs Account in the General Fund shall not exceed one million dollars (\$1,000,000) and the Controller shall not transfer any money from the account to the fund unless and until both of the following occur:

(1) The corporation certifies to the Controller that it has approved not less than a total of five million dollars (\$5,000,000) in loans to eligible small businesses in this state.

(2) The corporation certifies to the Controller that it will use the additional money transferred to the fund only to make new loans to eligible small businesses in this state.

SEC. 31.5. Section 32822 of the Financial Code is amended to read:

32822. Within five working days after receipt of an application from the corporation for a loan from the fund, the Controller shall disburse the proceeds of the loan to the corporation, unless:

(a) The corporation is in default on any previous loan from the fund; or

(b) In order to lend the amount requested by the corporation, the Controller would be required to transfer to the fund amounts which cumulatively would exceed the maximum amount specified in Section 32812.

SEC. 32. The cumulative total of all amounts transferred from the General Fund to the State Energy Loan Fund pursuant to Section 32812 of the Financial Code shall not exceed one million five hundred thousand dollars (\$1,500,000).

SEC. 32.1. Section 1231 of the Government Code is amended to

read:

1231. No state officer or employee shall be deemed to have a break in service or to have terminated his or her employment, for any purpose, nor to have incurred any change in his or her authority, status, or jurisdiction or in his or her salary or other conditions of employment, solely because of the failure to enact a budget act for a fiscal year prior to the beginning of that fiscal year.

A person entering state service on or after the beginning of a fiscal year and before the effective date of the budget act for that fiscal year and who otherwise is a state officer or employee, shall be deemed a state officer or employee from the time he or she entered state service, notwithstanding the failure to enact a budget act for that fiscal year.

SEC. 32.2. Section 1232 of the Government Code is repealed.

SEC. 32.3. Section 1232.1 of the Government Code is repealed.

SEC. 32.4. Section 1232.2 of the Government Code is repealed.

SEC. 32.5. Section 1232.3 of the Government Code is amended and renumbered to read:

1231.1. Funds from each appropriation made in the budget act for any fiscal year may be expended to pay to officers and employees whatever salary that would have otherwise been received had the budget act been adopted on or prior to July 1 of that fiscal year.

SEC. 32.6. Section 1232.4 of the Government Code is amended and renumbered to read:

1231.2. Funds from each appropriation made in the budget act for any fiscal year may be expended to pay any obligation incurred between the commencement of that fiscal year and the effective date of the budget act for that fiscal year, which would otherwise have been authorized by the budget act of that year had that act been adopted on or prior to July 1 of that year, subject to the same limitations, conditions, and requirements.

SEC. 32.7. Section 1232.5 of the Government Code is repealed.

SEC. 32.8. Section 1232.6 of the Government Code is repealed.

SEC. 32.9. Section 1232.7 of the Government Code is repealed.

SEC. 32.10. Section 1232.8 of the Government Code is repealed.

SEC. 32.11. Section 1232.9 of the Government Code is repealed.

SEC. 32.12. Section 1232.10 of the Government Code is repealed.

SEC. 32.13. Section 1232.11 of the Government Code is repealed.

SEC. 32.14. Section 1232.12 of the Government Code is repealed.

SEC. 32.15. Section 1232.13 of the Government Code is repealed.

SEC. 32.16. Section 3516 of the Government Code is amended to read:

3516. The scope of representation shall be limited to wages, hours, and other terms and conditions of employment, except, however, that the scope of representation shall not include either of the following:

(a) Consideration of the merits, necessity, or organization of any service or activity provided by law or executive order.

(b) The amount of rental rates for state-owned housing charged

to state employees.

SEC. 35.5. Section 3517.7 is added to the Government Code, to read:

3517.7. The Department of Personnel Administration shall within 30 days after the effective date of this section adopt emergency regulations to implement employee benefits for those state officers and employees excluded from, or not otherwise subject to, collective bargaining.

These emergency regulations shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. These emergency regulations shall become effective immediately upon filing with the Secretary of State.

SEC. 35.6. Section 3562 of the Government Code is amended to read:

3562. As used in this chapter:

(a) "Arbitration" means a method of resolving a rights dispute under which the parties to a controversy must accept the award of a third party.

(b) "Board" means the Public Employment Relations Board established pursuant to subdivision (g) of Section 3513.

(c) "Certified organization" means an employee organization which has been certified by the board as the exclusive representative of the employees in an appropriate unit after a proceeding under Article 5 (commencing with Section 3573).

(d) "Meet and confer" means the performance of the mutual obligation of the higher education employer and the exclusive representative of its employees to meet at reasonable times and to confer in good faith with respect to matters within the scope of representation and to endeavor to reach agreement on matters within the scope of representation. The process should include adequate time for the resolution of impasses. If agreement is reached between representatives of the higher education employer and the exclusive representative, they shall jointly prepare a written memorandum of such understanding which shall be presented to the higher education employer for concurrence. However, these obligations do not compel either party to agree to any proposal or require the making of a concession.

(e) "Confidential employee" means any employee who is required to develop or present management positions with respect to meeting and conferring or whose duties normally require access to confidential information which contributes significantly to the development of such management positions.

(f) "Employee" or "higher education employee" means any employee of the Regents of the University of California, the Directors of Hastings College of the Law, or the Board of Trustees of the California State University, whose employment is principally within the State of California. However, managerial, and confidential

employees shall be excluded from coverage under this chapter. The board may find student employees whose employment is contingent on their status as students are employees only if the services they provide are unrelated to their educational objectives, or, that those educational objectives are subordinate to the services they perform and that coverage under this chapter would further the purposes of this chapter.

(g) "Employee organization" means any organization of any kind in which higher education employees participate and which exists for the purpose, in whole or in part, of dealing with higher education employers concerning grievances, labor disputes, wages, hours, and other terms and conditions of employment of employees. Employee organization shall also include any person such an organization authorizes to act on its behalf. An academic senate, or other similar academic bodies, or divisions thereof, shall not be considered employee organizations for the purposes of this chapter.

(h) "Employer" or "higher education employer" means the regents in the case of the University of California, the Directors in the case of Hastings College of the Law, and the trustees in the case of the California State University, including any person acting as an agent of an employer.

(i) "Employer representative" means any person or persons authorized to act in behalf of the employer.

(j) "Exclusive representative" means any recognized or certified employee organization or person it authorizes to act on its behalf.

(k) "Impasse" means that the parties have reached a point in meeting and conferring at which their differences in positions are such that further meetings would be futile.

(l) "Managerial employee" means any employee having significant responsibilities for formulating or administering policies and programs. No employee or group of employees shall be deemed to be managerial employees solely because the employee or group of employees participate in decisions with respect to courses, curriculum, personnel and other matters of educational policy. A department chair or head of a similar academic unit or program who performs the foregoing duties primarily on behalf of the members of the academic unit or program shall not be deemed a managerial employee solely because of such duties.

(m) "Mediation" means the efforts of a third person, or persons, functioning as intermediaries, to assist the parties in reaching a voluntary resolution to an impasse.

(n) "Person" means one or more individuals, organizations, associations, corporations, boards, committees, commissions, agencies, or their representatives.

(o) "Professional employee" means:

(1) Any employee engaged in work: (i) predominately intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such

a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

(2) Any employee who: (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (1), and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (1).

(p) "Recognized organization" means an employee organization which has been recognized by an employer as the exclusive representative of the employees in an appropriate unit pursuant to Article 5 (commencing with Section 3573).

(q) For purposes of the University of California only, "scope of representation" means, and is limited to, wages, hours of employment, and other terms and conditions of employment. The scope of representation shall not include:

(1) Consideration of the merits, necessity, or organization of any service, activity, or program established by law or resolution of the regents or the directors, except for the terms and conditions of employment of employees who may be affected thereby.

(2) The amount of any fees which are not a term or condition of employment.

(3) Admission requirements for students, conditions for the award of certificates and degrees to students, and the content and supervision of courses, curricula, and research programs, as those terms are intended by the standing orders of the regents or the directors.

(4) Procedures and policies to be used for the appointment, promotion, and tenure of members of the academic senate, the procedures to be used for the evaluation of the members of the academic senate, and the procedures for processing grievances of members of the academic senate. The exclusive representative of members of the academic senate shall have the right to consult and be consulted on matters excluded from the scope of representation pursuant to this paragraph. If the academic senate determines that any matter in this paragraph should be within the scope of representation, or if any matter in this paragraph is withdrawn from the responsibility of the academic senate, the matter shall be within the scope of representation.

All matters not within the scope of representation are reserved to the employer and may not be subject to meeting and conferring, provided that nothing herein may be construed to limit the right of the employer to consult with any employees or employee organization on any matter outside the scope of representation.

(r) For purposes of the California State University only, "scope of representation" means, and is limited to, wages, hours of employment, and other terms and conditions of employment. The scope of representation shall not include:

(1) Consideration of the merits, necessity, or organization of any service, activity, or program established by statute or regulations adopted by the trustees, except for the terms and conditions of employment of employees who may be affected thereby.

(2) The amount of any student fees which are not a term or condition of employment.

(3) Admission requirements for students, conditions for the award of certificates and degrees to students, and the content and conduct of courses, curricula, and research programs.

(4) Criteria and standards to be used for the appointment, promotion, evaluation, and tenure of academic employees, which shall be the joint responsibility of the academic senate and the trustees. The exclusive representative shall have the right to consult and be consulted on matters excluded from the scope of representation pursuant to this paragraph. If the trustees withdraw any matter in this paragraph from the responsibility of the academic senate, the matter shall be within the scope of representation.

(5) The amount of rental rates for housing charged to California State University employees.

All matters not within the scope of representation are reserved to the employer and may not be subject to meeting and conferring, provided that nothing herein may be construed to limit the right of the employer to consult with any employees or employee organization on any matter outside the scope of representation.

SEC. 35.7. Chapter 10.5 (commencing with Section 4530) is added to Division 5 of Title 2 of the Government Code, to read:

#### CHAPTER 10.5. TARGET AREA CONTRACT PREFERENCE ACT

4530. This chapter shall be known as the "Target Area Contract Preference Act."

4531. The Legislature hereby declares that it serves a public purpose, and is of benefit to the state, to encourage and facilitate job maintenance and job development in distressed and declining areas of cities and towns in the state. It is the intent of the Legislature to further these goals by providing appropriate preferences to California based companies submitting bids or proposals for state contracts to be performed at worksites in distressed areas by persons with a high risk of unemployment when the contract is for goods or services in excess of one hundred thousand dollars (\$100,000).

4532. As used in this chapter:

(a) "Block group" means the smallest area for which the United States Department of Commerce, Bureau of the Census provides data on personal income.

(b) "Urbanized area" means a central city or cities and

surrounding closely settled territory, as defined by the United States Department of Commerce, Bureau of the Census in the Federal Register, Vol. 39, Number 85, for Wednesday, May 1, 1974, at pages 15202-15203 and as periodically updated.

(c) "Cluster of block groups" means one or more contiguous block groups.

(d) "Distressed" means an urbanized area, within the State of California and as identified by the Office of Planning and Research, which contains at least 3,000 people in a cluster of block groups, each of which meet at least five of the following criteria according to the most recent available census information compared to the last statewide census:

(1) The percentage of the block group's population over age 25 with less than a high school education was within the upper quartile of all block groups;

(2) The unemployment rate of the block group was within the upper quartile of all block groups;

(3) The per capita income of the block group was within the lower quartile of all block groups;

(4) The percentage of the block group's households which were female-headed households in poverty with children present was within the upper quartile of all block groups;

(5) The percentage of the block group's population over 65 who were in poverty was within the upper quartile of all block groups;

(6) The percentage of the block group's households with more than 1.01 persons per room was within the upper quartile of all block groups;

(7) The percentage of the block group's population younger than 18 who were in poverty was within the upper quartile of all block groups;

(8) The percentage of the block group's population who were nonwhite or hispanic was within the upper quartile of all block groups.

(e) "Approved special census" means a special census approved by the Population Research Unit of the Department of Finance.

(f) "Person with high risk of unemployment" means a person who:

(1) As a member of one of the eligible groups defined in Section 321 of Public Law 95-600, qualifies an employer who hires him or her for the Targeted Jobs Tax Credit. These groups are: economically disadvantaged youth, economically disadvantaged Vietnam-era veterans, economically disadvantaged ex-convicts, vocational rehabilitation referrals, youth participating in a qualified cooperative education program, recipients of supplemental security income benefits under Title XVI of the Social Security Act, and general assistance recipients.

(2) Qualifies an employer hiring him or her for the Work Incentive/Welfare Tax Credit authorized by Section 322 of Public Law 95-600. These persons include applicants and recipients of aid to



families with dependent children who are registered with the Work Incentive Program, and aid to families with dependent children recipients who have been receiving welfare for at least 90 days.

(g) "Poverty" means the poverty level, as defined by the United States Department of Commerce, Bureau of the Census in the Federal Register, Volume 43, Number 87, for Thursday May 4, 1978, at pages 19260-19269, and as periodically updated.

4533. Whenever the state prepares an invitation for bid (I.F.B.) for a contract for goods in excess of one hundred thousand dollars (\$100,000), except a contract in which the worksite is fixed by the provisions of the contract, the state shall award a 5-percent preference to California based companies who certify under penalty of perjury that no less than 50 percent of the labor required to perform the contract shall be accomplished at a worksite or worksites located in a distressed area.

4533.1. Where a bidder complies with the provisions of Section 4533, the state shall award a 1-percent preference for bidders who shall agree to hire persons with high risk of unemployment equal to 5 to 9 percent of its work force during the period of contract performance; a 2-percent preference for bidders who shall agree to hire persons with high risk of unemployment equal to 10 to 14 percent of its work force during the period of contract performance; a 3-percent preference for bidders who shall agree to hire persons with high risk of unemployment equal to 15 to 19 percent of its work force during the period of contract performance; and a 4-percent preference for bidders who shall agree to hire persons with high risk of unemployment equal to 20 or more percent of its work force during the period of contract performance.

4534. In evaluating proposals for contracts for services in excess of one hundred thousand dollars (\$100,000), except a contract in which the worksite is fixed by the provisions of the contract, the state shall award a 5-percent preference on the price submitted by California based companies who certify under penalty of perjury that they shall perform the contract at a worksite or worksites located in a distressed area.

4534.1. Where a bidder complies with the provisions of Section 4534, the state shall award the additional preferences as set forth in Section 4533.1 as appropriate.

4535. All state contracts issued to bidders who are awarded preferences under this chapter shall contain conditions to ensure that the contractor performs the contract at the location specified and meets any commitment to employ persons with high risk of unemployment.

4535.1. A business which requests and is given the preference provided for in Section 4533 or 4534 by reason of having furnished a false certification, and which by reason of such certification has been awarded a contract to which it would not otherwise have been entitled, shall:

(a) Pay to the state any difference between the contract amount

and what the state's cost would have been if the contract had been properly awarded; and

(b) In addition to the amount specified in subdivision (a), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved; and

(c) Be ineligible to transact any business with the state for a period of not less than three months and not more than 24 months.

Prior to the imposition of any sanction under this chapter, the contractor or vendor shall be entitled to a public hearing and to five days' notice of the time and place thereof. The notice shall state the reasons for the hearing.

4535.2. The maximum preference a bidder may be awarded pursuant to this chapter and any other provision of current law shall be 15 percent.

4535.3. The Department of General Services, with the cooperation of the Employment Development Department, the Department of Industrial Relations and the Office of Planning and Research, and under the direction of the State and Consumer Services Agency, shall adopt appropriate rules, regulations, and guidelines to implement this chapter.

SEC. 36. Section 8835 of the Government Code is repealed.

SEC. 37. Section 8836 of the Government Code is amended to read:

8836. The commission shall annually distribute the total amount, less the commission's necessary administrative expenses, available for allocation to public broadcasting stations. The commission shall reserve for distribution among the public broadcasting stations an amount not less than 25 percent of the television budget and not less than 25 percent of the radio budget for use at each station's discretion, in activities related to its local community broadcast operations.

SEC. 38. Section 8836.5 of the Government Code is amended to read:

8836.5. The commission shall, after consultation with the radio, television, and instructional broadcast committees, establish, and review annually, criteria and conditions regarding the distribution of amounts disbursed to the various public television and radio stations.

Amounts disbursed under this article shall be used to finance projects that will augment the ability of public broadcasting stations to serve their communities in accordance with a formula established by the commission. These amounts shall not be used to supplant funds already budgeted.

SEC. 38.3. Section 11011.8 is added to the Government Code, to read:

11011.8. Whenever any state or local governmental agency receives any state surplus property at less than fair market value, it shall pay all net management and administration costs incurred by the Department of General Services.

SEC. 39. Chapter 8 (commencing with Section 11995) of Part 1

of Division 3 of Title 2 of the Government Code is repealed.

SEC. 39.5. Section 12021.3 of the Government Code is amended to read:

12021.3. The budget for the 1983-84 and 1984-85 fiscal years submitted by the Governor to the Legislature within the first 10 days of each regular session shall contain the most recent estimate of the amount of the increase in General Fund revenue which is directly or indirectly attributable to the construction activity resulting from the enactment of the chapter of the Statutes of 1982 which enacted this section and which is available for transfer to the Housing Assistance Trust Fund established pursuant to Section 51342 of the Health and Safety Code for reimbursement of builder advances for interest reduction assistance pursuant to subdivision (c) of Section 51343 of the Health and Safety Code.

SEC. 39.7. Section 12024 is added to the Government Code, to read:

12024. The budget submitted by the Governor shall contain a statement on the estimated growth of property tax revenue for the fiscal year, and specific detail as to the assumptions upon which the estimate is based and any other information used to develop the estimate.

The budget shall also include data on the effect of the growth of property tax revenues on state subventions for school districts.

SEC. 39.8. Section 12429 is added to the Government Code, to read:

12429. The Controller may, with the approval of the Department of Finance, seek recovery from the federal government of Social Security contribution overpayments made with regard to the compensation of employees who were on approved leaves of absence on account of sickness, in accordance with federal law. The program shall be conducted by the Controller on behalf of the state and its departments and agencies, including the California State University. The activities may also be conducted by and for the University of California.

This program shall be self supporting from recovered funds. Notwithstanding the provisions of Section 13340, there is hereby appropriated to the Controller from the recovered funds: (a) an amount sufficient to pay the reasonable costs, including contractual services, as approved by the Department of Finance, of the Controller in administering this program; (b) the amount of any recovered overpayments of employee contributions, for refund to the employees; (c) the amount of the balance of the recovered funds after application of subdivisions (a) and (b), for deposit in the respective funds from which they were originally derived.

A private vendor may be utilized in the execution of the program and on such terms and conditions as are acceptable to the Department of Finance and the Controller.

The Controller may establish an OASDI Refund Account in the Payroll Revolving Fund for receipt of related funds and for payment

of costs. Any recovery of OASDI funds may be reflected in a credit or credits granted by the Social Security Administration against current employer and employee contributions, in which case, an amount equivalent to the credit or credits shall be transferred from the moneys in the Payroll Revolving Fund to the OASDI Refund Account.

SEC. 41. Section 12439 is added to the Government Code, to read:

12439. The Controller shall abolish, effective July 1, any state position which was vacant continuously during the period between October 1 and June 30 of the preceding fiscal year. Those positions which were vacant for part or all of the last nine months of a fiscal year because of a hiring freeze in effect during part or all of the nine-month period and remain vacant on June 30 shall also be abolished unless the need for continuing these positions is provided in written notice to, and approval by, the Director of Finance. The only exceptions to this abolishment are those positions exempt from civil service or those instructional and instruction-related positions authorized for the California State University. No money appropriated by the subsequent Budget Act shall be used to pay the salary of any otherwise authorized state position which is abolished pursuant to this section.

The Controller, no later than the following August 1 of each succeeding fiscal year, shall notify in writing the Department of Finance of any authorized state position which was vacant continuously during such period.

The Controller, no later than the following December 1 of each succeeding fiscal year, shall furnish the Joint Legislative Budget Committee a report on all positions as of July 1 which were unfilled continuously during the period between October 1 and June 30 of the preceding fiscal year.

SEC. 42. Section 12440 of the Government Code is amended to read:

12440. The Controller shall draw warrants on the Treasurer for the payment of money directed by law to be paid out of the State Treasury; but a warrant shall not be drawn unless authorized by law, and unless, except for refunds authorized by Section 13144, unexhausted specific appropriations provided by law are available to meet it.

SEC. 42.2. Section 13140 of the Government Code is amended to read:

13140. As used in this article:

(a) "Permit" includes application, license, certificate, or authorization.

(b) "Fee" includes any monetary exaction imposed or collected for or as a condition precedent to the issuing, making, taking or securing of any permit, filing, examination, or inspection.

(c) "Excess payment to a revolving fund" means overpayment received by a state agency in connection with a revolving fund in the State Treasury maintained by such an agency for the purpose of

assisting persons under the jurisdiction or care of the agency, or providing for the welfare of such persons.

(d) "Erroneous or excessive payment" means any moneys received by a state agency in error or the portion of any payment received that is in excess of the amount due.

SEC. 42.4. Section 13143 of the Government Code is amended to read:

13143. Whenever any law which provides for fees or payments to a state agency does not authorize, as provided in this article, the refund of erroneous or excessive payments thereof, refunds may be made by the state agency which collected the fee or payment of any or all amounts received by the state agency in consequence of error, either of fact or of law, as to:

(a) The proper amount of such fee or payment.

(b) The necessity of making such payment or making or securing a permit, filing, examination, or inspection.

(c) The sufficiency of the credentials of the applicant.

(d) The eligibility of an applicant for any other reason.

SEC. 43. Section 13144 of the Government Code is amended to read:

13144. Any fee or payment subject to refund under this article, and any excess payment to a revolving fund as defined in Section 13140, may be refunded by the state agency collecting the fee or erroneous or excess payment (a) before deposit in the State Treasury from any unremitted balance of revenue of the same nature in the state agency's checking account (b) if deposited in the State Treasury from the fund to which it was credited or from any appropriation made for such refund.

Whenever any fee subject to refund under (b) of this section has been paid into the State Treasury to the credit of two or more funds, the agency may file a single claim against one of the funds with the Controller, covering the total amount to be refunded from each of the funds credited. The claim shall be supported by such detail as the Controller may require. At least quarterly the agency shall certify to the Controller the amounts so paid from one fund which are properly chargeable to other funds and upon order of the Controller the amounts so required shall be transferred from those funds to the credit of the appropriate funds.

SEC. 43.5. Section 13304 is added to the Government Code, to read:

13304. (a) At least 30 days prior to allocation by the Department of Finance of any capital outlay or support funds appropriated by the annual Budget Act or any other act for cogeneration facilities, the Department of Finance shall submit a report to the Chairperson of the Joint Legislative Budget Committee and to the chairperson of the committee in each house which considers appropriations. The report for each project shall include, at a minimum, all of the following information:

(1) The economic feasibilities of the alternative cogeneration

equipment configuration capable of being installed at the subject facility.

(2) An engineering evaluation of proposed and alternative cogeneration equipment configurations.

(3) An engineering evaluation of potential energy conservation measures which could be implemented at the subject site and the impact of these measures on the cogeneration system.

(4) A proposed plan for implementing conservation measures identified in the engineering evaluation.

(5) A financial analysis of potential cost savings or revenue produced by the installation based on completed negotiation with any persons who may participate in the installation through selling fuel for or purchasing thermal or electrical power generated by the cogeneration system.

(6) The budgetary impact of the cogeneration proposal with respect to reduced utility requirements, or increased revenue due to sale of electrical or thermal energy, or both.

(7) An analysis of the alternative financing mechanisms available to fund the proposed project, and the cost-benefit of each such mechanism, including state capital outlay appropriations, revenue bonds, and loans authorized by Chapter 2.7 (commencing with Section 15814.10) of Part 10b of Division 3 of Title 2 of the Government Code, as added by Chapter 1523 of the Statutes of 1982.

(b) At least 30 days prior to approval by the Department of Finance of any energy service contract or third party agreement for construction of any alternative energy system, cogeneration system or energy conservation measure, the Department of Finance shall submit a report containing the terms of the agreement, benefit sharing, and the potential cost savings to the state, to the Chairperson of the Joint Legislative Budget Committee, and to the chairperson of the committee in each house which consider appropriations.

(c) Subdivisions (a) and (b) shall not apply to the allocation of funds appropriated for preparation of preliminary plans.

(d) Within one year after completion of any cogeneration project funded under the annual Budget Act or any other act, the Department of Finance shall submit a report which compares energy and cost savings achieved with those savings estimated pursuant to subdivision (a) to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations.

SEC. 43.7. Section 13322 of the Government Code is amended to read:

13322. Until enactment of the budget act containing the appropriations funding the fiscal year budget, the department may revise, alter, or amend any fiscal year budget, if, in its opinion, revision, alteration or amendment is required in the interest of the State. The department shall notify the head of the State agency or court of any revision, alteration, or amendment of its fiscal year budget.

SEC. 44. Article 2.5 (commencing with Section 13332) is added to Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code, to read:

Article 2.5. Provisions Applicable to Appropriations of Funds

13332. The Controller, at the request of a state institution, department, board, bureau, commission, officer, employee or other agency for which an appropriation is made, may transfer, under procedures established by the Department of Finance, up to 10 percent of any appropriation made to each entity, to an account established for each entity within the State Expenditure Revolving Fund, which is hereby created for the purpose of the payment of payroll and other claims which costs are to be subsequently charged to the appropriations made to each entity in accordance with any provisions or schedule set forth in the appropriations. No transfers in excess of 10 percent from any one appropriation may be made without the prior joint approval of the Department of Finance and the Controller.

All state entities shall submit, to the Department of Finance, a statement of financial adjustment to the State Expenditure Revolving Fund no later than 30 days following the transaction month. No state entity shall deposit funds in the State Expenditure Revolving Fund from local assistance or capital outlay appropriations or in excess of 10 percent of any appropriation made to the agency unless prior approval is given by the Director of Finance and the Controller.

Notwithstanding Sections 16310 and 16314, the Controller may transfer, as necessary, from the State Expenditure Revolving Fund to the General Fund whatever amounts are needed to meet cash needs of the General Fund. The Controller shall return all moneys so transferred without payment of interest as soon as there are sufficient moneys in the General Fund.

Transfers made by the Controller shall be available for the same term as the appropriation from which the transfer was made. All undisbursed funds shall be returned to the appropriations from which they are transferred and are subject to Section 16304.1.

13332.01. Any state agency which collects funds from the federal government shall include in the collections, amounts to offset federally allowed statewide indirect costs, as determined by the Department of Finance, except where prohibited by federal statutes.

13332.02. All funds recovered from the federal government to offset statewide indirect costs shall be transferred to the unappropriated surplus of the General Fund in a manner prescribed by the Department of Finance, unless expenditure of the funds is authorized by the Department of Finance. No authorization may become effective sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the

Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. If in the judgment of the Director of Finance, a state agency has not transferred the funds on a timely basis, the director may certify to the Controller the amount which the agency should have transferred to the General Fund, and the Controller shall transfer the funds to the General Fund.

13332.03. Whenever an appropriation has not been made to provide for recovery of general administrative costs pursuant to Sections 11270 through 11277, inclusive, a sufficient sum for that purpose shall be transferred from each affected fund by the Controller to the unappropriated surplus of the General Fund. The Controller shall make transfers pursuant to this section only upon order of the Director of Finance.

13332.04. Approvals by the Department of Finance to the creation of deficiencies pursuant to Section 11006 and approvals to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall be made in writing and filed with the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee. The notices shall state the reason for and amount of the deficiency and shall be filed prior to approval whenever possible and in no case shall they be filed more than 10 days after approval.

13332.05. No funds may be encumbered for paying a civil service employee a salary which is above the maximum of the salary range of the employee's present classification for a period of more than 90 calendar days following termination of a career executive assignment appointment. The intent of the Legislature in permitting payment above the maximum of the salary range for the 90-day period is to facilitate the employee's adjustment to a lower salary level. The provisions of this section shall not apply with respect to an employee who accepted any career executive assignment appointment on or after June 20, 1976, and before July 1, 1977, and any employee meeting that requirement, who is otherwise eligible, shall receive a salary rate pursuant to the provisions of Rule 548.25, adopted by the State Personnel Board on May 18, 1976, based upon the highest career executive assignment level held by the employee during that period.

13332.06. The Director of General Services may not approve an agreement for the leasing of an office copy machine, unless not less than 30 days prior to its approval, or whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine, the director submits in writing to the chairperson of the committee, or his or her designee, notification of his or her intent to approve the lease and an explanation as to why the copier should be leased rather than purchased.

13332.07. No funds shall be used to purchase furnishings for any



house, mobilehome, or apartment of three or more rooms other than a dormitory which is rented to a state employee. This provision shall not apply to the purchase of refrigerators, heaters, air-conditioning equipment, stoves, linoleum, or equipment normally furnished in the construction of a house, as may be determined by the State Board of Control. It is the intent of the Legislature that furnishings are not to be provided by the state, and that no moneys shall be paid from any appropriation for their replacement or repair, except in connection with the disposal thereof.

13332.08. (a) No funds shall be used, either directly or by supplementing any other appropriation, to purchase rugs or carpets for any state office except for offices used by elective officers, the President of the University of California, a chancellor of the University of California, the Chancellor of the California State University, a president of a state university or college, department heads, and for other facilities or areas under the control of the agencies financed by the Budget Act in accordance with standards issued by the Director of General Services. The Director of General Services shall furnish a detailed report annually to the Joint Legislative Budget Committee of all rugs or carpets purchased for state facilities under this section.

Approval of the Director of General Services shall be obtained prior to procurement and installation of rugs or carpets. The Director of General Services may authorize the use of carpeting in other specialized facilities not meeting the established standards not sooner than 30 days after notification in writing of the proposal with justification therefor to the Joint Legislative Budget Committee.

(b) The Director of General Services shall prepare and submit to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, a cost-benefit analysis of open-office landscape proposals in either existing or new buildings not less than 30 days prior to implementing any open-office landscape proposal.

13332.09. No purchase order or other form of documentation for acquisition or replacement of motor vehicles shall be issued against any appropriation until the Department of General Services has investigated and established the necessity therefor. No surplus mobile equipment may be acquired from any source by any state agency for program support until the Department of General Services has investigated and established the necessity therefor.

All passenger-type motor vehicles purchased for state officers and employees, except constitutional officers, shall be American-made vehicles of the light class, as defined by the State Board of Control, unless excepted by the Director of General Services on the basis of unusual requirements, including, but not limited to, use by the California Highway Patrol, which would justify the need for a motor vehicle of a heavier class.

No general use mobile equipment having an original purchase price of twenty-five thousand dollars (\$25,000) or more shall be rented or leased from a nonstate source and payment therefor made

from any appropriation for the use of the Department of Transportation, without the prior approval of the Department of General Services after a determination that comparable state-owned equipment is not available, unless obtaining approval would endanger life or property, in which case the transaction and the justification for not having sought prior approval shall be reported immediately thereafter to the Department of General Services. For purposes of this section, "general use mobile equipment" means equipment that is listed in the Mobile Equipment Inventory of the State Equipment Council and which is capable of being used by more than one agency, and shall not be deemed to refer to equipment having a practical use limited to the controlling agency only. Section 575 of the Vehicle Code shall have no application to this section.

13332.10. The Director of General Services may not enter into a lease agreement between the state and another entity, public or private, in which the state is lessee if the agreement is to be for the lease of a building or building space, or both, which will be for the occupancy of any agency or agencies of the state with a firm lease period of five years or longer and an annual rental in excess of ten thousand dollars (\$10,000), unless not less than 30 days prior to entering into the lease the Director of General Services notifies the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, in writing of the director's intention to enter into the agreement, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. No funds appropriated in any Budget Act may be encumbered or expended for any lease entered into on or after July 1, 1979, for office space in the County of Sacramento unless all solicitations for leases for office space in the County of Sacramento under the above-described conditions contain the statement, "The state is anticipating capital construction in the City of Sacramento and intends to eventually reduce the use of space on a leased basis."

13332.11. (a) No funds appropriated for capital outlay may be expended by any state agency, including the University of California, the California State University, and the community colleges, until the Department of Finance and the State Public Works Board have approved preliminary plans for the project to be financed from the appropriation for capital outlay, except that community college approvals by the State Public Works Board shall apply only to the allocation of state capital outlay funds appropriated heretofore and hereafter by the Legislature, including land acquisition and equipment funds.

This subdivision shall not apply to any of the following:

- (1) Amounts for acquisition of land or other real property.
- (2) Amounts needed for equipment or minor projects.
- (3) Amounts appropriated specifically for preliminary surveys, studies, and planning.

(b) Any appropriated amounts for working drawings or construction where the working drawings or construction have been started by any state agency prior to approval of the preliminary plans by the State Public Works Board, and all amounts not approved by the board under this section shall be reverted to the fund from which the appropriation was made. If the Director of Finance or his or her authorized representative requests review of working drawings, no major project for which an appropriation is made shall be put out to bid until the working drawings therefor have been approved by the Department of Finance. No substantial change shall be made from the preliminary plans or working drawings as approved by the State Public Works Board and the Department of Finance without written approval by the Department of Finance. Any proposed construction bid alternates shall be approved by the Department of Finance.

(c) No more than two thousand dollars (\$2,000) of funds appropriated may be spent for any single unit of equipment until prior approval for the purchase of the equipment has been given by the Department of Finance.

(d) The State Public Works Board shall defer all augmentations in excess of 20 percent of the amount appropriated for each capital outlay project until the Legislature makes additional funds available for the specific project.

(e) Augmentations in excess of 10 percent of the amount appropriated for each capital outlay project shall be reported to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, 20 days prior to board approval, or not sooner than whatever lesser time the chairperson, or his or her designee, may in each instance determine. Any augmentation of construction projects shall be limited to the amounts appropriated for construction contract costs.

(f) Prior to State Public Works Board action on any capital outlay appropriation, the Department of Finance shall certify, in writing, to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the respective fiscal committees, and the legislative members of the board that the requested action is in accordance with the legislatively approved scope and cost. If, pursuant to the other provisions of this section, the Department of Finance approves changes to the approved scope or cost, or both, the department shall report the changes and associated cost implications. The reports shall also include all proposed or potential augmentations in excess of 10 percent of the amount appropriated for construction contract costs related to capital outlay projects.

(g) The State Public Works Board shall defer action with respect to approval of any portion of an acquisition project, or approval of preliminary plans, when it is determined that the estimated cost of the total acquisition project, or construction project, approved by the Legislature is in excess of 20 percent of the amount appropriated, unless, in the case of acquisition projects, it is determined that a lesser portion of the property is sufficient to meet the objectives of the

project approved by the Legislature, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, is provided a 20-day prior notification of the proposed reductions in the acquisition project, or whatever lesser period the chairperson, or his or her designee, may in each instance determine.

(h) Nothing in this section shall be construed to limit or control the Department of Transportation in the expenditure of all funds appropriated to the department for capital outlay purposes.

13332.12. (a) Any acquisition of land or other real property authorized in any appropriation, except an appropriation from the California Water Fund and an appropriation to the Department of Transportation for capital outlay purposes, shall be subject to the provisions of the Property Acquisition Law. Nothing in this section shall be construed as exempting the California Coastal Commission from this section.

(b) All property acquisitions, including those exempted pursuant to subdivision (a), shall be reported to the State Public Works Board.

13332.13. The Controller may not disburse funds from any appropriation for acquisition made to the Department of Parks and Recreation to pay for any property rights, however secured or received, until the State Public Works Board has approved the transaction. In addition, the Attorney General and the Department of General Services shall inform the State Public Works Board of every action in inverse condemnation served upon either or both of them, which pertains to any acquisition for the state park system, by placing an item on the board's agenda.

13332.14. No expenditures for park furnishings shall be made unless the Department of Parks and Recreation has made reasonable efforts to acquire the furnishings on a consolidated procurement basis or through California Conservation Corps labor.

13332.15. No appropriation may be combined or used in any manner to avoid budgeting the salary or operating expenses of any position or to achieve any purpose which has been denied by any formal action of the Legislature.

13332.16. This article shall not apply to appropriations to the Legislature, the Legislative Counsel Bureau, the California Commission on Uniform State Laws, or the California Law Revision Commission.

SEC. 45. Section 13336.5 of the Government Code is amended to read:

13336.5. (a) The department, on or before January 31st, after the budget is submitted, shall submit a plan, and annually report, to the Legislature on the methods and procedures used in establishing budget priorities as follows:

(1) The bases used in establishing budget targets and the process used in ascertaining which programs and levels of service are to be continued within the base, including an analysis performed to substantiate maintaining such programs and levels of service within the base.

(2) The process used in identifying low priority programs and analysis provided where programs are proposed for elimination or adjustment.

(3) The process used in developing proposals for new programs or improved levels of service, including analyses provided to substantiate the need for program changes.

The plan shall include a schedule of implementation for some state agencies, including at least four of the agencies and departments listed in Section 12016, commencing with the budget for the 1984-85 fiscal year and for all other state agencies on or before the 1986-87 fiscal year.

(b) The department shall deliver a report to the chairman of each fiscal committee and the Joint Legislative Budget Committee on or before August 31, 1983, of the plan for the establishing of budget priorities developed pursuant to this section and shall provide a detailed implementation schedule specifying the time when each state agency will be utilizing the plan.

(c) The report, with respect to the plan and the analysis which substantiates the need for program changes, shall be submitted to the chairmen of the fiscal committees of the Legislature and to the Legislative Analyst. The background data used in formulating the analysis shall also be made available upon request. The Legislative Analyst shall utilize such information in the analysis of the budget bill and shall include an evaluation of the implementation of this section by department.

(d) It is the intent of the Legislature, in enacting this section, to increase governmental efficiency at the state level by eliminating ineffective and low priority programs, to increase program effectiveness evaluation of all programs and evaluation of alternatives, and to generally review efficiency, effectiveness, and prioritization of programs.

It is further the intent of the Legislature that the department coordinate the implementation of budget priorities review with the implementation of the improvements in the state's accounting and budgeting system required by this article.

SEC. 45.1. Section 13340 of the Government Code is amended to read:

13340. On and after July 1, 1984, no moneys in any fund which, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

SEC. 45.2. Section 13887.3 of the Government Code is repealed.

SEC. 45.5. Section 14669 of the Government Code is amended to read:

14669. (a) The director may hire, lease, lease-purchase, or lease with the option to purchase any real or personal property for the use of any state agency, including the Department of General Services, if he deems the hiring or leasing is in the best interests of the state.

(b) The director shall not enter into a lease-purchase agreement, or a lease with an option to purchase with an initial option purchase price over two million dollars (\$2,000,000), either of which involves office space, unless specifically authorized to do so by the Legislature. Except for a renewal of an existing lease to include an option to purchase, the director shall solicit written bids for any lease-purchase or lease with option to purchase which involves office space in a newspaper of general circulation in the county in which the project is located. All bids received shall be publicly opened and the lease awarded to the lowest responsible bidder. If the director deems the acceptance of the lowest responsible bid is not in the best interest of the state, he or she may reject all bids.

(c) The director shall not enter into a lease with an option to purchase with another entity, public or private, which involves office space which has an initial option price of two million dollars (\$2,000,000) or less, unless not less than 30 days prior to its execution, the director notifies the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee of each house of the Legislature which considers appropriations in writing of the director's intention to execute such a lease, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or a designee, may in each case determine.

SEC. 46. Section 15202 of the Government Code is amended to read:

15202. A county which is responsible for the cost of a trial or trials or any hearing of a person for the offense of homicide may apply to the Controller for reimbursement of the costs incurred by the county in excess of the amount of money derived by the county from a tax of 0.0125 of 1 percent of the full value of property assessed for purposes of taxation within the county.

The Controller shall not reimburse any county for costs that exceed the State Board of Control's standards for travel and per diem expenses. The Controller may reimburse extraordinary costs in unusual cases if the county provides sufficient justification of the need for such expenditures.

SEC. 46.2. Section 15331.1 is added to the Government Code, to read:

15331.1. In providing services and assistance under subdivision (b) of 15331, the office may charge fees of an amount not to exceed the fees established by the Department of General Services for the provision of contract services.

SEC. 46.3. Section 15332.1 is added to the Government Code, to read:

15332.1. In providing services and assistance under subdivision (a) of 15332, the office may charge fees of an amount not to exceed the fees established by the Department of General Services for the provision of contract services.

SEC. 46.4. Section 15333.1 is added to the Government Code, to read:

15333.1. In providing services and assistance under subdivision (f) of 15333, the office may charge fees of an amount not to exceed the fees established by the Department of General Services for the provision of contract services.

SEC. 46.5. Section 15334.1 is added to the Government Code, to read:

15334.1. In providing services and assistance under subdivision (b) of 15334, the office may charge fees of an amount not to exceed the fees established by the Department of General Services for the provision of contract services.

SEC. 47. Section 15792 of the Government Code is amended to read:

15792. The Director of Finance shall administer this part and provide such assistance to the board as it requires. When the board has determined that any construction, improvements, and the purchase of equipment is to be undertaken, or that plans and specifications for such construction, improvements, and equipment shall be prepared, the Director of Finance by executive order shall allot to the University of California the amount required to perform the work approved for the University of California, or to the Department of General Services or other state agency the amounts required to perform the work approved by the board for other state agencies. The University of California or the state agency to which money has been allotted shall perform such work or cause it to be performed in the manner provided by law.

State agencies are authorized to incur obligations, to be met during the fiscal year following the year of a project completion, for the purchase of equipment related to capital outlay projects for which the Legislature has appropriated construction funds. However, no obligation shall be incurred under the provisions of this section without the approval of the Department of Finance and the State Public Works Board. Purchase orders issued and contracts entered into under the provisions of this section shall not exceed a total of three million dollars (\$3,000,000) in estimated costs.

SEC. 48. Section 15799 of the Government Code is amended to read:

15799. The Legislature finds and declares that properly timed capital outlays for needed public works are an important instrument for combating unemployment and for maintaining a healthy state economy. It is the intent of the Legislature in enacting this chapter to establish procedures whereby an inventory of public works may be made available for implementation on short notice when and if funds become available during periods of temporary severe unemployment.

SEC. 49. Section 15799.2 of the Government Code is amended to read:

15799.2. The board, pursuant to its powers and duties under subdivision (d) of Section 15790, may, if in the board's opinion conditions warrant, develop and maintain a contingency plan for

emergency public works consistent with the intent of this chapter.

SEC. 50. Section 15799.4 of the Government Code is amended to read:

15799.4. The contingency plan for emergency public works shall consist of capital outlay or maintenance projects that have never been included in the Governor's Budget or otherwise submitted for legislative review but which, in the opinion of the board, would serve a useful public purpose if implemented.

SEC. 51. Section 15799.6 of the Government Code is amended to read:

15799.6. If the board determines that an emergency public works plan is necessary, the board shall submit the plan annually to the Governor in time for incorporation into his or her economic report to the Legislature as required by Section 15901. The report shall identify and describe each project contained in the plan with at least the following information:

- (a) The nature of the project and the public purpose to be served.
- (b) The location of the project.
- (c) The minimum number of days following assurance of funding required to begin onsite labor on the project.
- (d) The cost of the project and possible sources of funds.
- (e) The projected costs of maintenance and operation of the product of such a project upon completion, and the source of funds for such maintenance and operation.

SEC. 53. Section 16113 of the Government Code is amended to read:

16113. (a) Each county auditor shall file a claim with the Controller on or before the last day of August of each year for reimbursement to local governmental agencies for the tax loss attributable to property on the unsecured roll by reason of the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(b) Each county auditor shall file a claim with the Controller on or before October 31 of each fiscal year for reimbursement to local governmental agencies for the tax loss attributable to property on the secured roll by reason of the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(c) For the 1980-81 fiscal year, and fiscal years thereafter, the amount the state shall reimburse local governmental jurisdictions for revenue loss by reason of the exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code, and for livestock as provided for in Section 5523 of that code, shall be computed as follows:

(1) For the 1980-81 fiscal year, the sum of the reimbursements for all local governmental jurisdictions within a county shall equal twice the amount of money that would have been allocated for the 1979-80 fiscal year to the jurisdictions if the inventory exemption



reimbursement had been predicated on the jurisdictions' share of the proceeds from a countywide property tax rate of four dollars (\$4) per one hundred dollars (\$100) of assessed valuation including the amount these jurisdictions would have received if that amount had not been subtracted pursuant to the provisions of Section 16117, plus 170 percent of the livestock exemption reimbursement for the 1979-80 fiscal year, with the resulting total sum to be increased by a percentage equal to the State Reimbursement for Inventory Tax Factor.

(2) For the 1981-82 fiscal year the sum of the reimbursements for all local governmental jurisdictions within a county shall be equal to the reimbursement computed for the prior fiscal year, multiplied by 1.0292.

(3) For the 1982-83 fiscal year and each fiscal year thereafter, the sum of the reimbursements for all local governmental jurisdictions within a county shall be equal to the reimbursement computed for the prior fiscal year.

(d) (1) With respect to the 1980-81 fiscal year and each fiscal year thereafter, each county auditor shall file a claim with the Controller on or before October 31 of each fiscal year for reimbursement to local jurisdictions for the amount computed pursuant to subdivision (c).

(2) Proceeds received from the Controller pursuant to these claims shall be apportioned by the auditor to local governmental jurisdictions as property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(e) For purposes of this section, "State Reimbursement for Inventory Tax Factor" means:

(1) For cities, counties, and special districts: the percentage change in cost of living (as determined pursuant to Section 2212 of the Revenue and Taxation Code) plus the percentage change in the population of the city, county, or special district (as determined pursuant to Section 2227 or 2228 of the Revenue and Taxation Code). The percentage change in the population of a redevelopment agency shall be the percentage change in the population of the city or county in which the redevelopment agency is located.

(2) For school districts, county superintendents of schools and community college districts: the percentage change in the cost of living (as determined pursuant to Section 2212 of the Revenue and Taxation Code) plus the percentage change in the ADA of the school district or community college district.

(f) For the 1982-83 fiscal year, the claim filed pursuant to this section shall not include any reimbursement for any special district identified as an enterprise special district in the State Controller's Annual Report on 1979-80 Financial Transactions of Special Districts, except for districts which provide transit services or operate an airport. The amounts to be allocated by the auditor to local jurisdictions other than these districts shall equal the amounts allocated to those jurisdictions for the 1981-82 fiscal year.

(g) (1) For the 1983-84 fiscal year and each fiscal year thereafter, the payment made pursuant to this section shall not include any reimbursement attributable to property taxes supporting enterprise-related activities of any special district identified as an enterprise special district in the most recent Controller's Annual Report on Financial Transactions of Special Districts, except for districts which provide transit services or operate an airport.

(2) Notwithstanding the provisions of paragraph (2) of subdivision (d), for the 1983-84 fiscal year, the amounts paid as reimbursement pursuant to this section to be allocated by the auditor to local agencies, as defined by Section 95 of the Revenue and Taxation Code, other than enterprise special districts, as defined in paragraph (1) of this subdivision, shall be in proportion to the amounts allocated to those agencies for the prior fiscal year, as determined by the Director of Finance, adjusted pursuant to paragraph (3) of subdivision (c). The auditor shall adjust the allocation of these amounts, if necessary, to reflect agreements entered into pursuant to Section 99, 99.1, or 99.2 of the Revenue and Taxation Code. No reimbursement shall be made pursuant to subdivision (c) to school entities, as defined by Section 95 of the Revenue and Taxation Code, for the 1983-84 fiscal year.

(3) This subdivision shall be inapplicable to redevelopment agencies.

SEC. 55.5. Section 16114 of the Government Code is amended to read:

16114. (a) For the 1980-81 fiscal year, for the purpose of computing assessed valuation for the purposes of Section 33670 of the Health and Safety Code, there shall be added to the actual assessed valuation as shown on the assessment roll, an amount equal to the assessed valuation of business inventories in the project area in the 1979-80 fiscal year multiplied by the quotient derived by dividing four dollars (\$4) by the tax rate applicable within the project area, with the resulting amount to be increased by a percentage equal to the State Reimbursement for Inventory Tax Factor.

(b) For the 1981-82 fiscal year and each fiscal year thereafter, for the purpose of computing assessed valuation for the purpose of Section 33670 of the Health and Safety Code, there shall be added to the actual assessed valuation shown on the assessment roll an amount equal to the assessed valuation of business inventories in the project area computed for the prior fiscal year, pursuant to subdivision (a), increased by a percentage equal to the State Reimbursement for Inventory Tax Factor.

(c) Notwithstanding the provisions of subdivision (b), for the 1983-84 fiscal year only, the assessed valuation shall be reduced by 75 percent of the amount determined pursuant to subdivision (b) and shall not be increased by the State Reimbursement for Inventory Tax Factor. The auditor shall reduce the claim for reimbursement pursuant to subdivision (c) of Section 16113 by the amount by which allocations to redevelopment agencies are reduced due to this

assessed valuation adjustment. The auditor shall also adjust the allocation of property tax revenue to local jurisdictions so that the net effect of the adjustment upon any local jurisdiction, other than a redevelopment agency, shall be zero.

SEC. 56. Section 16115.5 is added to the Government Code, to read:

16115.5. Notwithstanding Sections 16111, 16113, 16113.6, and 16113.7, an application for replacement revenues or a claim for reimbursement by the county auditor pursuant to those provisions shall not be made to the Controller for the 1983-84 fiscal year and fiscal years thereafter.

Notwithstanding Section 16115, the Controller shall make payments to each county for reimbursements pursuant to Sections 16111, 16113, 16113.6, and 16113.7 on or before the 15th day of each month in 12 equal installments based on the amounts authorized to be provided by those provisions and the amount appropriated by Section 16100 or by the Budget Act for the particular purpose for any fiscal year.

SEC. 56.5. Section 16183 of the Government Code is amended to read:

16183. (a) From the time a payment is made pursuant to Section 16180, the amount of that payment shall bear interest at a rate (not compounded), determined as follows:

(1) For the period ending June 30, 1984, the rate of interest shall be 7 percent per annum.

(2) The Controller shall establish an adjusted rate of interest for the purpose of this subdivision not later than July 15th of any year if the effective annual yield of the Pooled Money Investment Account for the prior fiscal year is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest shall be equal per annum to the effective annual yield earned in the prior fiscal year by the Pooled Money Investment Account rounded to the nearest full percent, and shall become effective for new deferrals, beginning on July 1, 1984, and on July 1 of each immediately succeeding year.

(3) The rate of interest provided pursuant to this subdivision for the first fiscal year commencing after payment is made pursuant to Section 16180 shall apply for that fiscal year and each fiscal year thereafter until these postponed property taxes are repaid.

(b) The interest provided for in subdivision (a) shall be applied beginning the first day of the month following the month in which that payment is made and continuing on the first day of each month thereafter until such amount is paid. In the event that any payments are applied, in any month, to reduce the amount paid pursuant to Section 16180, the interest provided for herein shall be applied to the balance of that amount beginning on the first day of the following month.

(c) In computing interest in accordance with this section, fractions of a cent shall be disregarded.

(d) For the purpose of this section, the time a payment is made shall be deemed to be the time a certificate of eligibility is countersigned by the tax collector or the delinquency date of the respective tax installment, whichever is later.

(e) The Controller shall include on forms supplied to claimants pursuant to Sections 20621, 20630.5, 20640.9, and 20641 of the Revenue and Taxation Code, a statement of the interest rate which will apply to amounts postponed for the fiscal year to which the form applies.

SEC. 58. Section 16422 of the Government Code is amended to read:

16422. The fund is under the control of the Department of General Services and is available for expenditure for the payment of rent; the cost of maintaining, operating, and insuring building space; the purchase and sale of materials, supplies, and equipment; the rendering of services to state and other public agencies and, in connection therewith, for the employment and compensation of necessary personnel and expenses; all expenses for the support of the Office of State Printing; and the purchase of machinery or equipment, including motor vehicles, needed in the operation or administration of the Office of State Printing.

On or before September 30 of each fiscal year, the Controller shall transfer to the General Fund any cash surplus, as determined by the Director of Finance and reported to the Joint Legislative Budget Committee, in the fund as of the preceding June 30.

SEC. 58.1. Section 17281 of the Government Code is amended to read:

17281. On or after the date on which the budget for any fiscal year has been adopted, the state may borrow money pursuant to this chapter, and the borrowing shall be represented by notes or other short-term instruments issued pursuant to this chapter. Money so borrowed may be used and expended by the state for any General Fund purpose for which the state is authorized to expend moneys during the fiscal year.

SEC. 58.2. Section 17282 of the Government Code is amended to read:

17282. The notes shall be issued pursuant to a resolution authorizing the issuance thereof adopted by the committee provided for by Section 17283. Notes authorized to be issued may be issued from time to time as provided in the resolution. The resolution shall set forth the form and manner of execution and offering of the note or notes. Upon written request of the Governor, the committee may authorize the Treasurer, upon the terms and conditions fixed by the committee, to issue notes, on a negotiated or a competitive bid basis.

SEC. 58.3. Section 17284 of the Government Code is amended to read:

17284. Any note issued under this chapter may be negotiable, may be payable to order or to bearer, may be in any denomination, and may bear interest at a rate or rates to be determined as provided by the resolution and payable as provided therein. Any note may be

made payable on a fixed date or upon demand of the holder of the note, and may be made subject to prepayment or redemption at the option of the state or at the option of the holder, but no note shall be payable later than the last day of the fiscal year for which the budget has been adopted, or be renewable beyond that date. The notes may contain a provision for the payment of interest on the principal of the notes after maturity at the rate provided in the note. The notes shall not bear interest on unpaid interest either before or after maturity.

SEC. 58.4. Section 18850 is added to the Government Code, to read:

18850. On or before January 10 of each year, the board shall submit to the parties meeting and conferring pursuant to Section 3517 and to the Legislature, a report containing the board's findings relating to the salaries of employees in comparable occupations in private industry and other governmental agencies.

SEC. 59. Section 19815.6 of the Government Code is amended to read:

19815.6. (a) Notwithstanding the provisions of Sections 11042 and 11043, the chief counsel shall represent the department in all legal matters in which the department is interested, before any administrative agency or court of law.

(b) The department shall charge state agencies and departments for the actual and necessary costs of legal services rendered by the legal division in unfair practice cases, representation cases, and requests for injunctive relief arising pursuant to Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, in grievance arbitration cases arising under negotiated memoranda of understanding, and in all labor law and nonmerit personnel matters in state and federal courts.

(c) In grievance arbitration cases arising pursuant to memoranda of understanding negotiated pursuant to Sections 3517 and 3517.5, the department shall charge state agencies involved for the actual and necessary costs of arbitration, including the state's share of the arbitrator's fees, transcription fees, and other related costs.

(d) The department shall charge state agencies for their pro rata share of the actual and necessary costs of negotiating and administering memoranda of understanding pursuant to Sections 3517 and 3517.5.

SEC. 59.1. Section 19826 of the Government Code is amended to read:

19826. (a) The department shall establish and adjust salary ranges for each class of position in the state civil service subject to any merit limits contained in Article VII of the California Constitution. The salary range shall be based on the principle that like salaries shall be paid for comparable duties and responsibilities. In establishing or changing such ranges consideration shall be given to the prevailing rates for comparable service in other public employment and in private business. The department shall make no

adjustments which require expenditures in excess of existing appropriations which may be used for salary increase purposes. The department may make a change in salary range retroactive to the date of application for such change.

(b) Notwithstanding any other provision of law, the department shall not establish, adjust, or recommend a salary range for any employees in an appropriate unit where an employee organization has been chosen as the exclusive representative pursuant to Section 3520.5.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 59.2. Section 19849.11 of the Government Code is amended to read:

19849.11. (a) The Department of Personnel Administration, subject to such conditions as it may establish, subject to existing statutes governing health benefits and group term life insurance offered through the Public Employees' Retirement System, and subject to all other applicable provisions of state law, may enter into contracts for the purchase of employee benefits with respect to managerial and confidential employees as defined by subdivisions (e) and (f) of Section 3513, and employees excluded from the definition of state employee in subdivision (c) of Section 3513, and nonelected officers or employees of the executive branch of government who are not members of the civil service. Benefits shall include, but not be limited to, group life insurance, group disability insurance, group automobile liability and physical damage insurance, and homeowners' and renters' insurance.

SEC. 59.3. Section 20603.6 is added to the Government Code, to read:

20603.6. Notwithstanding any other provision of law, for the 1983-84 fiscal year only, the amount of salaries and wages excluded from the normal rate of contributions as specified in an approved memorandum of understanding between a recognized employee organization and the employer, as defined in subdivision (i) of Section 3513 and subdivision (h) of Section 3562, shall be controlling. The employer may apply the specified amount of salaries and wages excluded from the normal rate of contribution to those employees not covered by a memorandum of understanding.

SEC. 59.5. Section 27707.1 of the Government Code is amended to read:

27707.1. The boards of supervisors of two or more counties may authorize their respective public defenders to enter into reciprocal or mutual assistance agreements whereby a deputy public defender of one county may be assigned on a temporary basis to perform

public defender duties in the county to which he has been assigned in actions or proceedings in which the public defender of the county to which the deputy has been assigned has properly refused to represent a party because of a conflict of interest or because of some other present inability.

For purposes of this section, the term "present inability" shall include a lack of personnel, lack of expertise, or lack of other resources by the local office.

Whenever a deputy public defender is assigned to perform public defender duties in another county pursuant to such an agreement, the county to which he is assigned shall reimburse the county in which he is regularly employed in an amount equal to the portion of his regular salary for the time he performs public defender duties in the county to which he has been assigned. The deputy public defender shall also receive from the county to which he has been assigned the amount of actual and necessary traveling and other expenses incurred by him in traveling between his regular place of employment and the place of employment in the county to which he has been assigned.

A board of supervisors may also authorize the reciprocal or mutual assistance agreements provided for in this section with the State Public Defender

SEC. 59.55. Section 68207 of the Government Code is amended to read:

68207. For the purpose of this chapter the population of each county of the State is the population determined for the county pursuant to subdivision (a) or, if the provisions of subdivision (b) apply to a county, pursuant to subdivision (b)

(a) The population of each county is as shown and determined by the last preceding decennial census taken under the authority of the Congress of the United States, except that whenever a new decennial census is taken under such authority after the effective date of this section the population shown and determined thereby shall be deemed the population of the county commencing on the first day of July in the year next succeeding the year as of which such census is taken and not before

(b) The Department of Finance, before the first day of December of each year, shall certify to the Controller the population of each county as determined by the department pursuant to Section 13073.5. The Controller shall forthwith ascertain from that certification whether any county has a population, determined as provided in this subdivision, which would raise it to a higher classification under this chapter than as determined by subdivision (a). If any county is ascertained to be within such a higher classification, the Controller shall promptly certify that fact to the board of supervisors of that county. For the purpose of this chapter, the population of each county on the first day of July of each year shall be the population determined by the Department of Finance.

SEC. 59.56. Section 68562 of the Government Code is amended

to read:

68562. Any appropriation that provides funding for court interpreter services shall identify the county and the court interpreter programs to which it applies. In each county thus designated, beginning one year after the effective date of the designation, the superior court shall establish, maintain, and publish a list of recommended court interpreters, and the trial courts of that county shall utilize only the services of those recommended interpreters unless good cause is found by the judge for the appointment of an interpreter not on the recommended list. In establishing a list of recommended court interpreters, the superior court shall select from a list of qualified candidates who have successfully demonstrated proficiency, both written and oral, in an examination conducted by the State Personnel Board but may also impose additional testing requirements and consider additional standards, as necessary for equity or to recognize local conditions. The State Personnel Board shall establish minimum standards of proficiency of language skills, both written and oral, in both English and the language to be interpreted. In establishing these criteria, the State Personnel Board shall take into account standards adopted by the Judicial Council to ensure a court interpreter's understanding of the technical terminology and procedures used in the courts. The State Personnel Board shall administer an appropriate examination and certify to the superior courts a list of qualified interpreters as frequently as needed to ensure that qualified interpreters are available.

SEC. 59.57. Section 68562.1 is added to the Government Code, to read:

68562.1. The State Personnel Board shall charge a fee to applicants and shall charge and be reimbursed a pro rata share of the costs of carrying out the provisions of Sections 68562 and 11513 by the Judicial Council and state agencies which conduct administrative hearings.

SEC. 59.6. Section 92354 is added to the Government Code, to read:

92354. Any state agency whose support is provided for in the Budget Act shall require any railroad corporation proposing to construct or modify a rapid rail transit system or project, as defined in Section 92015, to reimburse the agency for its costs for processing any application or approval related to the system or project. The corporation shall reimburse the agency for all costs directly related to any application or approval including, but not limited to, costs of agency staff, consultants, and any advisory services which the agency deems necessary.

SEC. 59.75. Section 208.3 of the Health and Safety Code is amended to read:

208.3. (a) The director shall adopt emergency regulations pursuant to Section 1267.7 implementing the provisions of Chapter 327 of the Statutes of 1982, effective July 1, 1983, in accordance with



the provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of regulations shall be deemed to be an emergency, and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

(b) Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, regarding the duration of emergency regulations, any regulations adopted by any state agency in order to implement the provisions of this section, shall remain in effect until June 30, 1984.

SEC. 59.8. Section 289.7 of the Health and Safety Code is amended to read:

289.7. Laboratories licensed by the Department of Health Services shall not offer the maternal serum-alpha fetoprotein screening test for prenatal detection of neural tube defects of the fetus until such time as the department has developed regulations, under the authorization granted by Section 151. However, laboratories providing this testing as of the effective date of this section may continue to provide this testing until these regulations become operative. The State Department of Health Services shall promulgate regulations pursuant to this section on or before June 30, 1984.

SEC. 59.85. Section 442.10 of the Health and Safety Code is amended to read:

442.10. The California Hospital Commission Fund is hereby renamed the California Health Facilities Commission Fund. For the purposes of funding such contracts of the commission as are authorized by the provisions of this part and for meeting the costs of the commission in carrying out its duties in the administration thereof, fees shall be collected by the commission as follows and shall be deposited in the California Health Facilities Commission Fund which is hereby established:

(a) The commission shall set, and charge to, and collect from all health facilities, except health facilities owned and operated by the State of California, a special fee, which shall be due on July 1 and delinquent on July 31 of each year, of not more than 0.05 of 1 percent, with respect to skilled nursing facilities and intermediate care facilities, and not more than 0.024 of 1 percent, with respect to other health facilities, of the health facility's gross operating cost for the provision of health care services for its last fiscal year which ended on or before December 31 of the preceding calendar year. Each year the commission shall establish the fee to produce revenues equal to the appropriation for these purposes in the Budget Act for the current fiscal year.

(b) Any amounts raised by the collection of the special fees provided for by subdivision (a) which are not required to meet appropriations in the Budget Act for the current fiscal year shall be

available to the commission in succeeding years, when appropriated by the Legislature, for expenditure under the provisions of this part and shall reduce the amount of such special fees which the commission is authorized to set and charge.

(c) No health facility against which the fees required by this section are charged shall be issued a license or have an existing license renewed unless the fees are paid. The commission may bring an action to enjoin the violation or threatened violation of this subdivision in the superior court in and for the county in which the violation occurred or is about to occur. Any proceeding under the provisions of this subdivision shall conform to the requirements of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except the commission shall not be required to allege facts necessary to show or tending to show lack of adequate remedy at law or to show or tending to show irreparable damage or loss.

SEC. 59.9. Section 1597.55 of the Health and Safety Code is amended to read:

1597.55. No site visitations, or unannounced visits or spot checks shall be made under this chapter except as provided in this section.

(a) A site visitation shall be required prior to the initial licensing of the applicant.

(b) An unannounced site visitation shall be required for the renewal of a license.

(c) A public agency under contract with the department, as provided in Section 1597.52, may make spot checks if it does not result in any cost to the state. However, spot checks shall not be required by the department.

(d) The department shall make a site visitation on the basis of a complaint and a followup visit as provided in Section 1597.56.

(e) In addition to any site visitation or spot check authorized under this section, the department shall annually make unannounced visits on 10 percent of all family day care homes for children licensed under this chapter. The unannounced visits may be made at any time, including the time of a request for a renewal of a license.

SEC. 59.95. Section 1597.57 of the Health and Safety Code is amended to read.

1597.57. The department shall.

(a) Develop and utilize one application form for all family day care homes for children requesting a new license or a renewal of a license.

(b) Establish for parents a consumer education program annually on the law and regulations governing family day care homes for children under this chapter and the role of the state and other public entities and local associations in relation to family day care homes for children. In planning this program, the department shall seek the assistance of other public entities and local associations.

(c) Administer an orientation program for new operators of

family day care homes for children which may be conducted directly by the department or by contract with local governments or family day care home associations.

SEC. 59.96. Section 1597.58 of the Health and Safety Code is amended to read:

1597.58. Each license issued or renewed pursuant to this chapter shall expire three years from the date of its issuance.

Application for renewal of a license shall be filed with the department not less than 30 days prior to the expiration date. Failure to submit a renewal application prior to that date shall result in expiration of the license.

SEC. 60. Section 1597.64 of the Health and Safety Code is amended and renumbered to read:

1597.65. This chapter shall remain in effect only until July 1, 1989, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1989, deletes or extends that date.

SEC. 60.1. Section 1597.64 is added to the Health and Safety Code, to read:

1597.64. To assure compliance with this chapter, the department shall:

(a) Conduct ongoing inservice programs for licensing staff in cooperation with other public entities and local associations.

(b) Conduct an annual seminar for representatives of enforcement agencies, including, but not limited to, police officers, district attorneys, and judges.

(c) Work with the Department of Justice to assure that license revocations appear on criminal records.

SEC. 60.2. Section 13142.2 of the Health and Safety Code is repealed.

SEC. 60.4. Section 13142.4 of the Health and Safety Code is amended to read:

13142.4. The State Fire Marshal, with policy guidance and advice from the State Board of Fire Services, shall:

(a) Establish and validate recommended minimum standards for fire protection personnel and fire protection instructors at all career levels.

(b) Develop curricula for courses and seminars in fire service and technology training in colleges and institutions of higher education.

(c) Develop, validate, update, copyright, and maintain security over a complete series of promotional examinations based on the minimum standards established pursuant to subdivision (a).

(d) Have the authority to make the examinations developed pursuant to subdivision (c) available to any agency of the state, to any political subdivision within the state, or to any other testing organization, as he or she deems appropriate.

(e) Promote participation in and sponsor the California Firefighter Joint Apprenticeship Committee Program as the pre-employment training method to be emphasized for entry level firefighters.

(f) Establish advisory committees or panels, as necessary, to assist the State Fire Marshal in carrying out his or her functions under this section.

(g) Establish such fees as necessary to implement this section.

The recommended minimum standards established pursuant to subdivision (a) shall not apply to any agency of the state or any agency of any political subdivision within the state unless that agency elects to be subject to these standards.

SEC. 60.6. Section 13142.5 is added to the Health and Safety Code, to read:

13142.5. There is established in the State Treasury the California Fire Service Training and Education System Fund. All revenue collected pursuant to Section 13142.4 shall be paid into this fund and these moneys shall be available when appropriated by the Legislature for the Office of the State Fire Marshal to carry out the provisions of Section 13142.4.

SEC. 60.7. Section 25174 of the Health and Safety Code is amended to read:

25174. Each operator of any site at which hazardous wastes or extremely hazardous wastes are disposed, including every person who disposes of those wastes on site, shall pay a fee to the State Board of Equalization for disposal of those wastes. The director shall establish a schedule of the fees to be paid to the State Board of Equalization by the operator for disposal of hazardous or extremely hazardous waste, which shall provide revenues which shall not exceed the amount necessary, but shall be sufficient, to cover all costs incurred in the administration of this chapter and to provide a 5 percent operating reserve. The fees shall be deposited by the State Board of Equalization in the Hazardous Waste Control Account in the General Fund. The funds deposited in that account are continuously appropriated for expenditure without regard to fiscal years for the following purposes:

(a) To the State Board of Equalization to pay refunds of fees collected pursuant to Section 43051 of the Revenue and Taxation Code.

(b) To the department to carry out the provisions of this chapter.

SEC. 60.8. Section 25174.3 of the Health and Safety Code is amended to read:

25174.3. The fee authorized by Section 25174 shall be calculated to produce revenues in an amount necessary also to cover all costs incurred in the administration of Section 13227 of the Water Code and costs incurred as a result of inspection of underground storage tanks and related enforcement costs pursuant to Section 13301 of the Water Code. It is the intent of the Legislature that funds be annually appropriated in the Budget Act from the Hazardous Waste Control Account to the State Water Resources Control Board for all costs incurred by the board in administering Sections 13227 and 13301 of the Water Code.

SEC. 60.9. Section 25174.4 of the Health and Safety Code is

amended to read:

25174.4. Funds deposited in the Hazardous Waste Control Account pursuant to Section 25174 shall be used to support water monitoring pursuant to Section 4026.1.

SEC. 60.10. Section 25174.6 of the Health and Safety Code is amended to read:

25174.6. (a) Notwithstanding the provisions of Section 25174.2 and except as otherwise provided in Sections 25174.8 and 25174.9, effective July 1, 1983, the fee provided pursuant to Section 25174 to be paid by the operators of onsite and offsite hazardous waste facilities shall be six dollars and forty cents (\$6.40) for each ton, or fraction thereof, of hazardous wastes which are not restricted hazardous wastes as provided by Section 66900 of Title 22 of the California Administrative Code and eighteen dollars (\$18) for each ton, or fraction thereof, of restricted hazardous wastes as provided by Section 66900 of Title 22 of the California Administrative Code which the operator disposes of on land or applies to land. The fees shall be paid in accordance with the provisions of Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code.

(b) The operator of an offsite hazardous waste facility shall pay fees only for the first 2,500 tons of hazardous waste, which are not restricted hazardous wastes, received in any one month from each site of each producer of hazardous waste.

(c) The operator of an onsite hazardous waste facility shall pay fees only for the first 2,500 tons of hazardous waste, which are not restricted hazardous wastes, which the operator disposes of in any one month.

SEC. 60.14. Section 25174.8 is added to the Health and Safety Code, to read:

25174.8. The fees provided in Section 25174.6 shall be effective commencing on July 1, 1983, and shall remain in effect until June 30, 1984.

SEC. 60.15. Section 25174.9 is added to the Health and Safety Code, to read:

25174.9. Notwithstanding any other provision of law, the department may, by emergency regulation, increase the amount of the fee established pursuant to Section 25174 or 25174.6 if it determines that the fees established are insufficient to fund the appropriations from the Hazardous Waste Control Account in the 1983-84 fiscal year.

For the purposes of the Administrative Procedure Act, the adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these regulations shall not be subject to review, approval, or repeal by the Office of Administrative Law, and shall remain in effect until June 30, 1984.

SEC. 60.16. Section 25207 of the Health and Safety Code is

amended to read:

25207. (a) The chairperson of the council shall be elected by the council.

(b) A vacancy occurring on the council shall be filled in the same manner as the original appointments.

(c) All meetings of the council shall be subject to the state open meeting law contained in Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of the Government Code. A majority of the total membership of the council shall constitute a quorum for the transaction of official business.

(d) Members of the council shall serve without compensation, but shall be entitled to reimbursement for actual and necessary expenses.

(e) The members appointed who are members of the Senate and the Assembly shall meet with, and participate in, the work of the council to the extent that their participation is not incompatible with their position as Members of the Legislature. For the purposes of this article, the council members who are Members of the Legislature shall constitute a joint interim legislative committee on the subject of this article.

(f) The council shall cease to exist on July 1, 1984.

SEC. 60.18. Section 25208 of the Health and Safety Code is amended to read:

25208. Prior to January 1, 1984, the Hazardous Waste Management Council shall prepare a Hazardous Waste Management Plan which shall include all of the following elements:

(a) The development of a statewide hazardous waste facilities siting and permit process which will provide for, but not be limited to, the following:

(1) Public participation in the site selection and permit process.

(2) Local government and regional council government and regional government participation in the site selection and permit process.

(3) Maximum facility applicant and local community discussion to determine local permit conditions and applicant actions to offset risks imposed by the facility.

(4) Opportunity for negotiation and arbitration over siting and facility disputes.

(5) Incorporation of statewide and regional hazardous waste facility needs in the siting and local permit process and alternatives to meet those needs.

(b) Recommendations regarding legislative, administrative, and economic mechanisms necessary to assist in the siting of new hazardous waste facilities including those actions necessary to implement the process developed pursuant to subdivision (b), including consideration of the need for the council to be reestablished with additional powers.

(c) Recommendations to the Legislature regarding legislative, administrative, and economic mechanisms necessary to ensure that all persons, particularly those in communities where hazardous

wastes are treated and disposed of, shall be fully compensated for injury or damage caused by hazardous materials.

SEC. 60.20. Section 25208.5 of the Health and Safety Code is amended to read:

25208.5. (a) Prior to the completion of a final plan, the council shall prepare a preliminary draft plan. The preliminary draft plan shall be distributed to local units of government and regional councils of government throughout the state. The council shall establish a system whereby notice of the availability of the plan is disseminated throughout the state and shall also issue a statewide news release announcing the availability of the draft and how it may be reviewed or obtained.

(b) The council shall conduct not less than three public hearings throughout the state at diverse geographical locations. The first public hearing shall not be held until 60 days have elapsed from the date of the notice announcing the availability of the draft. The notice of the hearing shall be widely publicized within the area. Within 30 days after the hearings are completed, the council shall prepare a written summary of the comments received, provide comments on the major concerns raised at the hearings, and make appropriate amendments to the preliminary draft. The council shall submit a completed final plan upon completion of this review process, but prior to June 30, 1984, with the comments and amendments, to the Governor and the Legislature.

SEC. 60.24. Section 33080 of the Health and Safety Code is amended to read:

33080. Every agency shall file with the department, within six months of the end of the agency's fiscal year, a copy of the report required by Section 38080.1.

The agency shall provide the Department of Housing and Community Development funds as requested by the department to reimburse the department for the cost of processing the report required by this section.

SEC. 60.26. Section 34328.1 of the Health and Safety Code is amended to read:

34328.1. Every housing authority shall file on the first day of October of each year with the Department of Housing and Community Development a complete report of its activities during the previous fiscal year, with recommendations for needed legislation to carry on properly a program of housing and community development in California.

The authority shall provide the Department of Housing and Community Development funds as requested by the department to reimburse the department for the cost of processing the report required by this section.

SEC. 60.28. Section 50009 is added to the Health and Safety Code, to read:

50009. The Legislature finds and declares that the utilization of tax-exempt mortgage revenue bonds can, and should, encourage the

production of housing units affordable to low- and moderate-income persons and families. The Legislature further finds and declares that as a result of recent bond interest rates at historically high levels, tax-exempt mortgage revenue bond programs may not be able to provide housing affordable to low- and moderate-income persons and families, without an additional subsidy. The Legislature further finds and declares that the effectiveness of tax-exempt mortgage revenue bonds in reducing the housing costs of low- and moderate-income persons and families should be carefully monitored by the Legislature to permit an assessment of the costs and benefits of this financing mechanism.

SEC. 60.29. Section 50154 is added to the Health and Safety Code, to read:

50154. The California Housing Finance Agency shall annually provide to the Legislature and the Legislative Analyst information concerning all units produced, assisted, or insured using agency funds. This information shall include, but shall not be limited to, the sales prices of these units, the number of units within various price ranges or price classifications, the rents being charged for the units, the number of rental units within each price range, the number of households by income level purchasing the units, and the number by household income occupying the rental units. This information shall be provided by October 1 of each year.

SEC. 60.30. Section 50155 is added to the Health and Safety Code, to read:

50155. The Legislative Analyst shall include in the 1984 Report to the Joint Legislative Budget Committee and in annual updates thereafter, an analysis of the costs and benefits of tax-exempt mortgage revenue bond financing programs of the California Housing Finance Agency and of cities, counties, and cities and counties pursuant to the provisions enacted by Chapter 114 of the Statutes of 1982, Chapter 1069 of the Statutes of 1979, Chapter 48 of the Statutes of 1975, Chapter 1201 of the Statutes of 1973, and Chapter 610 of the Statutes of 1977, as amended. The analyst shall include information with respect to the cost to the state of tax incentives available to sponsors of housing developments under these programs, and shall specify the assumptions upon which the cost estimate is made.

The analyst shall also include information with respect to the benefits derived from the use of these tax incentives, including the incomes, family size, rents, and mortgage payments of initial occupants; the number, size, cost, and geographical distribution of the units developed; the length of the time the units shall be held for occupancy by targeted income groups, and, where applicable, the number of years units shall be held as rentals, and the distribution of housing developments among for-profit, limited dividend, and nonprofit sponsors.

SEC. 60.32. Section 50460 of the Health and Safety Code is amended to read:



50460. The department shall adopt guidelines relating to relocation assistance by public entities, as defined in Section 7260 of the Government Code, pursuant to the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code. The department may provide consulting and technical assistance to these public entities in drafting and amending rules and regulations relating to relocation assistance. The department may require these public entities to reimburse the department for any assistance the department provides.

The department shall, at intervals of two years, review relocation plans prepared pursuant to Section 33411, and the progress in implementation of the plans.

SEC. 60.34. Section 50913 of the Health and Safety Code is amended to read:

50913. For its activities under this division, the executive director shall prepare a final budget on or before January 10 of each year for the ensuing fiscal year to be reviewed by the Secretary of the Business and Transportation Agency, the Director of Finance, and the Joint Legislative Budget Committee.

SEC. 60.36. Section 90.5 is added to the Labor Code, to read:

90.5. (a) It is the policy of this state to vigorously enforce minimum labor standards in order to ensure employees are not required or permitted to work under substandard unlawful conditions, and to protect employers who comply with the law from those who attempt to gain competitive advantage at the expense of their workers by failing to comply with minimum labor standards.

(b) In order to ensure minimum labor standards are adequately enforced, the Labor Commissioner shall establish and maintain a field enforcement unit, which shall be administratively and physically separate from offices of the division which accept and determine individual employee complaints. The unit shall have offices in Los Angeles, San Francisco, San Jose, San Diego, Sacramento, and such other locations as the Labor Commissioner deems appropriate. The unit shall have primary responsibility for administering and enforcing those statutes and regulations most effectively enforced through field investigations, including Sections 226, 226.2, 1021, 1021.5, 1193.5, 1193.6, 1194.5, 1197, 1198, 1771, 1776, 1777.5, 2651, 2673, 2675, and 3700, in accordance with the plan adopted by the Labor Commissioner pursuant to subdivision (c). Nothing in this section shall be construed to limit the authority of this unit in enforcing any statute or regulation in the course of its investigations.

(c) The Labor Commissioner shall adopt an enforcement plan for the field enforcement unit. The plan shall identify priorities for investigations to be undertaken by the unit which ensure the available resources will be concentrated in industries, occupations, and areas in which employees are relatively low paid and unskilled, and those in which there has been a history of violations of the statutes cited in subdivision (b).

(d) The Labor Commissioner shall annually report to the Legislature, not later than March 1, concerning the effectiveness of the field enforcement unit. The report shall include, but not be limited to, all of the following:

(1) The enforcement plan adopted by the Labor Commissioner pursuant to subdivision (c), and the rationale for the priorities identified in the plan.

(2) The number of establishments investigated by the unit, and the number of types of violations found.

(3) The amount of wages found to be unlawfully withheld from workers, and the amount of unpaid wages recovered for workers.

(4) The amount of penalties and unpaid wages transferred to the General Fund as a result of the efforts of the unit.

SEC. 61. Section 1700.12 of the Labor Code is amended to read:

1700.12. A filing fee of twenty-five dollars (\$25) shall be paid to the Labor Commissioner at the time the application for issuance of a talent agency license is filed.

In addition to the filing fee required for application for issuance of a talent agency license, every talent agency shall pay to the Labor Commissioner annually at the time a license is issued or renewed:

(a) A license fee of two hundred twenty-five dollars (\$225).

(b) Fifty dollars (\$50) for each branch office maintained by the talent agency in this state.

SEC. 61.8. Section 502 of the Military and Veterans Code is amended to read:

502. The school board having jurisdiction over the school may appoint officers in the California Cadet Corps for duty in each college, community college, high school, junior high school, or elementary school under the jurisdiction of the board. The officers shall be under the immediate control and jurisdiction of the governing body of the college, community college, high school, junior high school, or elementary school at which they are on duty. Each officer shall hold his appointment at the pleasure of the school board, or until his successor has been appointed and qualified or his connection with the cadets is severed.

SEC. 62.5. Section 987.9 of the Penal Code is amended to read:

987.9. In the trial of a capital case the indigent defendant, through his counsel, may request the court for funds for the specific payment of investigators, experts, and others for the preparation or presentation of the defense. The application for funds shall be by affidavit and shall specify that the funds are reasonably necessary for the preparation or presentation of the defense. The fact that an application has been made shall be confidential and the contents of the application shall be confidential. Upon receipt of an application, a judge of the court, other than the trial judge presiding over the capital case in question, shall rule on the reasonableness of the request and shall disburse an appropriate amount of money to defendant's attorney. The ruling on the reasonableness of the request shall be made at an in camera hearing. In making the ruling,

the court shall be guided by the need to provide a complete and full defense for the defendant.

The Controller shall not reimburse any county for costs that exceed Board of Control standards for travel and per diem expenses. The Controller may reimburse extraordinary costs in unusual cases if the county provides sufficient documentation of the need for such expenditures.

At the termination of the proceedings, the attorney shall furnish to the court a complete accounting of all moneys received and disbursed pursuant to this section.

SEC. 63.3. Section 11105 of the Penal Code is amended to read:

11105. (a) (1) The Department of Justice shall maintain state summary criminal history information.

(2) As used in this section:

(i) "State summary criminal history information" means the master record of information compiled by the Attorney General pertaining to the identification and criminal history of any person, such as name, date of birth, physical description, date of arrests, arresting agencies and booking numbers, charges, dispositions, and similar data about such person.

(ii) "State summary criminal history information" does not refer to records and data compiled by criminal justice agencies other than the Attorney General, nor does it refer to records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice.

(b) The Attorney General shall furnish state summary criminal history information to any of the following, when needed in the course of their duties, provided that when information is furnished to assist an agency, officer, or official of state or local government, a public utility, or any entity, in fulfilling employment, certification, or licensing duties, the provisions of Chapter 1321 of the Statutes of 1974 and of Section 432.7 of the Labor Code shall apply:

(1) The courts of the state.

(2) Peace officers of the state as defined in Section 830.1, subdivisions (a), (b), and (f) of Section 830.2, subdivision (a) of Section 830.3, subdivisions (a) and (b) of Section 830.5, and subdivision (a) of Section 830.31.

(3) District attorneys of the state.

(4) Prosecuting city attorneys of any city within the state.

(5) Probation officers of the state.

(6) Parole officers of the state.

(7) A public defender or attorney of record when representing a person in proceedings upon a petition for a certificate of rehabilitation and pardon pursuant to Section 4852.08 of the Penal Code.

(8) A public defender or attorney of record when representing a person in a criminal case and when authorized access by statutory or decisional law.

(9) Any agency, officer, or official of the state when such criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon such specified criminal conduct.

(10) Any city or county, or city and county, or district, or any officer, or official thereof when access is needed in order to assist such agency, officer, or official in fulfilling employment, certification, or licensing duties, and when such access is specifically authorized by the city council, board of supervisors or governing board of the city, county, or district when such criminal history information is required to implement a statute, ordinance, or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon such specified criminal conduct.

(11) The subject of the state summary criminal history information under procedures established under Article 5 (commencing with Section 11120), Chapter 1, Title 1 of Part 4 of the Penal Code.

(12) Any person or entity when access is expressly authorized by statute when such criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon such specified criminal conduct.

(13) Health officers of a city, county, or city and county, or district, when in the performance of their official duties enforcing Section 3110 of the Health and Safety Code.

(14) Any managing or supervising correctional officer of a county jail or other county correctional facility.

(c) The Attorney General may furnish state summary criminal history information upon a showing of a compelling need to any of the following, provided that when information is furnished to assist an agency, officer, or official of state or local government, a public utility, or any entity, in fulfilling employment, certification, or licensing duties, the provisions of Chapter 1321 of the Statutes of 1974 and of Section 432.7 of the Labor Code shall apply:

(1) Any public utility as defined in Section 216 of the Public Utilities Code which operates a nuclear energy facility when access is needed in order to assist in employing persons to work at such facility, provided that, if the Attorney General supplies such data, he shall furnish a copy of such data to the person to whom the data relates.

(2) To a peace officer of the state other than those included in subdivision (b).

(3) To a peace officer of another country.

(4) To public officers (other than peace officers) of the United States, other states, or possessions or territories of the United States, provided that access to records similar to state summary criminal history information is expressly authorized by a statute of the United States, other states, or possessions or territories of the United States when such information is needed for the performance of their official duties.

(5) To any person when disclosure is requested by a probation, parole, or peace officer with the consent of the subject of the state summary criminal history information and for purposes of furthering the rehabilitation of the subject.

(6) The courts of the United States, other states or territories or possessions of the United States.

(7) Peace officers of the United States, other states, or territories or possessions of the United States.

(8) To any individual who is the subject of the record requested when needed in conjunction with an application to enter the United States or any foreign nation.

(9) Any public utility as defined in Section 216 of the Public Utilities Code, when access is needed in order to assist in employing current or prospective employees who in the course of their employment may be seeking entrance to private residences. The information provided shall be limited to the record of convictions and any arrest for which the person is released on bail or on his or her own recognizance pending trial.

If the Attorney General supplies the data pursuant to this paragraph, the Attorney General shall furnish a copy of the data to the current or prospective employee to whom the data relates.

Any information obtained from the state summary criminal history is confidential and the receiving public utility shall not disclose its contents, other than for the purpose for which it was acquired. The state summary criminal history information in the possession of the public utility and all copies made from it shall be destroyed not more than 30 days after employment or promotion or transfer is denied or granted, except for those cases where a current or prospective employee is out on bail or on his or her own recognizance pending trial, in which case the state summary criminal history information and all copies shall be destroyed not more than 30 days after the case is resolved.

A violation of any of the provisions of this paragraph is a misdemeanor, and shall give the current or prospective employee who is injured by the violation a cause of action against the public utility to recover damages proximately caused by the violations. Any public utility's request for state summary criminal history information for purposes of employing current or prospective employees who may be seeking entrance to private residences in the course of their employment shall be deemed a "compelling need" as required to be shown in this subdivision.

Nothing in this section shall be construed as imposing any duty

upon public utilities to request state summary criminal history information on any current or prospective employees.

(10) To any campus of the California State University and Colleges or the University of California, or any four-year college or university accredited by a regional accreditation organization approved by the United States Department of Education, when needed in conjunction with an application for admission by a convicted felon to any special education program for convicted felons, including, but not limited to, university alternatives and halfway houses. Only conviction information shall be furnished. The college or university may require the convicted felon to be fingerprinted, and any inquiry to the department under this section shall include the convicted felon's fingerprints and any other information specified by the department.

(d) Whenever an authorized request for state summary criminal history information pertains to a person whose fingerprints are on file with the Department of Justice and the department has no criminal history of that person, and the information is to be used for employment, licensing, or certification purposes, the fingerprint card accompanying such request for information, if any, may be stamped "no criminal record" and returned to the person or entity making the request.

(e) Whenever state summary criminal history information is furnished as the result of an application and is to be used for employment, licensing or certification purposes, the Department of Justice may charge the person or entity making the request a fee which it determines to be sufficient to reimburse the department for the cost of furnishing such information. In addition, the Department of Justice may add a surcharge to the fee to fund maintenance and improvements to the systems from which the information is obtained. Notwithstanding any other provisions of law, any person or entity required to pay a fee to the department for information received under this section may charge the applicant a fee sufficient to reimburse the person or entity for such expense. All moneys received by the department pursuant to this section, Section 12054 of the Penal Code, and Section 13588 of the Education Code shall be deposited in a special account in the General Fund to be available for expenditure by the department to offset costs incurred pursuant to such sections and for maintenance and improvements to the systems from which the information is obtained when appropriated by the Legislature therefor.

(f) Whenever there is a conflict, the processing of criminal fingerprints and fingerprints of applicants for security guard or alarm agent registrations or firearms qualification permits submitted pursuant to Section 7514 of the Business and Professions Code shall take priority over the processing of applicant fingerprints.

(g) It is not a violation of this section to disseminate statistical or research information obtained from a record, provided that the identity of the subject of the record is not disclosed.

(h) It is not a violation of this section to include information obtained from a record in (1) a transcript or record of a judicial or administrative proceeding or (2) any other public record when the inclusion of the information in the public record is authorized by a court, statute, or decisional law.

SEC. 63.5. Section 2804 of the Public Resources Code is amended to read:

2804. This chapter shall remain in effect only until July 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends that date.

SEC. 64. Section 3825 of the Public Resources Code is amended to read:

3825. Thirty percent of the revenues received and deposited in the Geothermal Resources Development Account shall, upon receipt by the Controller, be transferred to the Renewable Resources Investment Fund and shall be available, upon appropriation by the Legislature, for expenditure for the purposes of Section 34000.

SEC. 67. Section 6217 of the Public Resources Code is amended to read:

6217. With the exception of revenues derived from state school lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and 8551 to 8558, inclusive, and Section 6406 (insofar as the proceeds are from property which has been distributed or escheated to the state in connection with unclaimed estates of deceased persons), the commission shall deposit in the State Treasury all revenues, moneys, and remittances received by it under this division, and under Chapter 138 of the Statutes of 1964, First Extraordinary Session, and such sums shall be applied to the following obligations in the following order:

(a) To the General Fund such revenue as necessary to provide in any fiscal year for the following:

(1) Payment of refunds, authorized by the commission and approved by the State Board of Control, out of appropriations made for that purpose by the Legislature.

(2) Payment of expenditures of the commission as provided in the annual Budget Act approved by the Legislature.

(3) Payments to cities and counties of the amounts specified in Section 6817 for the purposes specified in that section, and the revenues so deposited are appropriated for such purpose.

(4) Payments to cities and counties of the amounts agreed to pursuant to the provisions of Section 6875.

(b) To the California Water Fund each fiscal year the amount of twenty-five million dollars (\$25,000,000).

(c) To the Central Valley Water Project Construction Fund each fiscal year the amount of five million dollars (\$5,000,000).

(d) To the Resources Agency, the amount of five hundred thousand dollars (\$500,000) for each of the fiscal years 1979-80, 1980-81, 1981-82, 1982-83, and 1983-84 for distribution for public and

private higher education for use as up to two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966 (P.L. 89-688) approved, upon the recommendation of the advisory panel appointed pursuant to this subdivision, by the Secretary of the Resources Agency or his designee. During the fiscal year 1983-84, the Legislature shall consider recommendations from the Secretary of the Resources Agency and other interested parties on the benefits to the people of the State of California derived from this program and shall determine whether or not to continue similar appropriations for subsequent fiscal years.

The Secretary of the Resources Agency shall appoint an advisory panel, which shall do all of the following:

- (1) Identify state needs which might be met through sea grant research projects, including, but not limited to, such fields as living marine resources, aquaculture, ocean engineering, marine minerals, public recreation, coastal physical processes and coastal and ocean resources planning and management, and marine data acquisition and dissemination.

- (2) Review all applications for funding under this subdivision and make recommendations based upon the priorities it establishes.

- (3) Periodically review progress on sea grant research projects subsequent to their approval and funding under this subdivision.

- (4) Make recommendations to the Secretary of the Resources Agency with respect to the implementation of this subdivision.

The members of such advisory panel shall serve at the pleasure of the Secretary of the Resources Agency. The advisory panel shall consist of 11 members composed of the following persons:

- (1) A representative of the Department of Navigation and Ocean Development.

- (2) A representative of the Department of Conservation.

- (3) A representative of the Department of Fish and Game.

- (4) The executive director of the California Coastal Zone Conservation Commission or his designee.

- (5) A representative of the fish industry.

- (6) A representative of the aquaculture industry.

- (7) A representative of the ocean engineering industry.

- (8) A representative of the University of California.

- (9) A representative of the California State University and Colleges.

- (10) A representative of a private California institution of higher education which is participating in the National Sea Grant Program.

- (11) A representative of the State Lands Commission. The Secretary of the Resources Agency shall designate one member of the panel to serve as its chairman. Panel members shall serve without compensation.

The sea grant research projects selected for state support under this subdivision shall have a clearly defined benefit to the people of the State of California. The Legislature hereby finds and declares



that the funding provided by this subdivision is needed to stimulate the development and utilization of ocean and coastal resources by working constructively with private sector firms and individuals. Nothing in this subdivision shall be construed to preclude the application for funding of any project which would be eligible for funding under the terms of the National Sea Grant College and Program Act of 1966.

(e) To the Capital Outlay Fund for Public Higher Education for the fiscal year 1980-81, the amount necessary to provide for an unencumbered balance available for appropriation on July 1, 1980, of one hundred twenty-five million dollars (\$125,000,000), and for each fiscal year thereafter, the amount necessary to provide for an unencumbered balance available for appropriation on July 1 of each such year of one hundred twenty-five million dollars (\$125,000,000).

(f) To the State School Building Lease-Purchase Fund for the fiscal year 1980-81, the amount of one hundred million dollars (\$100,000,000), and for each fiscal year thereafter, the amount of two hundred million dollars (\$200,000,000).

(g) To the Energy and Resources Fund, the amount of one hundred twenty million dollars (\$120,000,000) for the fiscal year 1980-81, and for each fiscal year thereafter, the amount necessary to provide for a balance available for appropriation on July 1 of each such fiscal year of one hundred twenty million dollars (\$120,000,000).

The Controller shall allocate the amounts deposited in the Energy and Resources Fund, in accordance with this subdivision, between the Energy Account and the Resources Account in the same ratio as the amount appropriated from each account bears to the total amount appropriated from both accounts. The allocations shall be made until the two accounts have sufficient funds available for the amounts appropriated from those accounts.

The Director of Finance may direct the Controller to make transfers between the two accounts, or between either account and the Energy and Resources Fund, for cash flow purposes.

The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the committee in each house which considers appropriations, 10 days prior to taking any action pursuant to this section.

(h) To the State Parks and Recreation Fund, the amount of thirty-five million dollars (\$35,000,000) for the fiscal year 1980-81 and for each fiscal year thereafter.

(i) To the Transportation Planning and Development Account in the State Transportation Fund to finance capital outlay costs of exclusive public mass transit guideway projects, including the acquisition of rolling stock, the amount of twenty-five million dollars (\$25,000,000) for fiscal year 1981-82 and for each fiscal year thereafter.

(j) To the Special Account for Capital Outlay in the General Fund, the balance of all revenue in excess of that distributed pursuant to subdivisions (a), (b), (c), (d), (e), (f), (g), (h), and (i)

of this section.

The commission may, with the approval of the State Board of Control, authorize the refund of moneys received or collected by it illegally or by mistake, inadvertence, or error. Claims authorized by the commission and approved by the State Board of Control shall be filed with the Controller and the Controller shall draw his warrant against the General Fund in payment of such refund from any appropriation made for that purpose.

All references in any law to Section 6816 shall be deemed to refer to this section.

This section shall remain in effect only until the later of the following dates, and on that date is repealed, unless a later enacted statute changes the requirements of this paragraph:

(1) The operative date of the Budget Act for the 1984-85 fiscal year.

(2) The operative date of the Budget Act for a fiscal year after the 1983-84 fiscal year which does not contain a section authorizing this section to remain operative for that fiscal year.

SEC. 68.5. Section 30400 of the Public Resources Code is amended to read:

30400. It is the intent of the Legislature to minimize duplication and conflicts among existing state agencies carrying out their regulatory duties and responsibilities

In the absence of a specific authorization set forth in this division or any other provision of law or in an agreement entered into with the commission, no state agency, including the Office of Planning and Research, shall exercise any powers or carry out any duties or responsibilities established by this division or by the Federal Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) or any amendment thereto. The Director of the Office of Planning and Research shall, in carrying out his or her duties as set forth in Section 30415, ensure that the provisions of this section are carried out.

SEC. 70. Chapter 2.5 (commencing with Section 401) of Part 1 of Division 1 of the Public Utilities Code is repealed.

SEC. 71. Chapter 2.5 (commencing with Section 401) is added to Part 1 of Division 1 of the Public Utilities Code, to read:

## CHAPTER 2.5. PUBLIC UTILITIES COMMISSION REIMBURSEMENT FEES

### Article 1. Collection and Disposition of Fees

401. (a) The Legislature finds and declares that the public interest is best served by a commission that is appropriately funded and staffed, that can thoroughly examine the issues before it, and that can take timely and well-considered action on matters before it. The Legislature further finds and declares that funding the commission by means of a reasonable fee imposed upon each common carrier and business related thereto and each public utility that the

commission regulates helps to achieve those goals and is, therefore, in the public interest.

(b) The Legislature intends, in enacting this chapter, that the fees levied and collected pursuant thereto produce enough, and only enough, revenues to fund the commission with (1) its authorized expenditures for each fiscal year to regulate common carriers and businesses related thereto and public utilities, less the amount to be paid from special accounts except those established by this article, reimbursements, federal funds, and the unencumbered balance from the preceding year; (2) an appropriate reserve; and (3) any adjustment appropriated by the Legislature.

(c) For purposes of this chapter, an "appropriate reserve" means a reserve in addition to the commission's total authorized annual budget to regulate common carriers and related businesses and public utilities, to be determined by the commission based on its past and projected operating experience.

402. The Public Utilities Commission Utilities Reimbursement Account is hereby continued in existence. All fees collected by the commission pursuant to Section 431 shall be transmitted to the Treasurer at least quarterly for deposit in the account.

403. There is hereby created the Public Utilities Commission Transportation Reimbursement Account in the General Fund. All fees collected by the commission pursuant to Section 421 shall be transmitted to the Treasurer at least quarterly for deposit in the account.

404. (a) All fees paid pursuant to this chapter, exclusive of any penalties for delinquency, shall be allowed by the commission in a separate order as an ordinary operating expense for purposes of establishing rates or charges. The commission shall authorize each person or corporation subject to Section 421 or 431 to annually adjust its rates or charges for intrastate services so as to collect from its customers and subscribers an amount sufficient to pay the amount of the fee required by Section 421 or 431 together with the costs of collecting the fee from each customer or subscriber.

(b) Each person or corporation subject to Section 421 or 431 may identify separately, on the bill of each customer or subscriber, the amount to be paid by each customer or subscriber for purposes of funding the commission pursuant to this chapter.

(c) Persons or corporations subject to Section 421 or 431 shall pay the fee in accordance with Section 423 or 433 after collection from their customers or subscribers.

405. If any person or corporation subject to this chapter is in default of the preparation and submission of any report or the payment of any fee required by this chapter for a period of 30 days or more, the commission may suspend or revoke the certificate of public convenience and necessity, permit, or other operating authority of the person or corporation or order the person or corporation to cease and desist from conducting all operations subject to the jurisdiction of the commission, and the commission

may estimate from all available information the appropriate fee and may add to the amount of that estimated fee a penalty not to exceed 25 percent of the amount on account of the failure, refusal, or neglect to prepare and submit the report or to pay the fee, and the person or corporation shall be estopped to complain of the amount of the commission's estimate.

Upon payment of the fee so estimated and penalty, if applicable, the certificate, permit, or other operating authority of the person or corporation suspended in accordance with this section shall be reinstated or the order to cease and desist revoked. The commission may grant a reasonable extension of the 30-day period to any person or corporation upon written application and a showing of the necessity of the extension.

Upon revocation of any certificate, permit, or other operating authority or issuance of an order to cease and desist pursuant to this section, all fees in default shall become due and payable immediately.

406. The commission may bring an action, in its own name or in the name of the people of the state, in any court of competent jurisdiction, for the collection of delinquent fees estimated under Section 405, or for an amount due, owing, and unpaid to it, as shown by report filed by the commission, together with a penalty of 25 percent for the delinquency.

407. The commission shall authorize refunds of the fees provided for in this chapter when the fees were collected in error.

408. Notwithstanding any other provision of law, all fees and charges collected by the commission pursuant to this code from each common carrier and related business subject to Section 421 and from interstate or foreign highway carriers registered pursuant to the Interstate and Foreign Highway Carriers' Registration Act (Chapter 2 (commencing with Section 3901) of Division 2), shall be deposited in the Public Utilities Commission Transportation Reimbursement Account, in addition to the fee authorized by Section 421.

409. Notwithstanding any other provision of law, all fees and charges collected pursuant to this code by the commission from each public utility subject to Section 431 shall be deposited in the Public Utilities Commission Utility Reimbursement Account, in addition to the fee authorized by Section 431.

410. The commission may establish rules and regulations that it deems necessary to carry out the provisions of this chapter.

## Article 2. Common Carriers and Related Businesses

421. The commission shall annually determine a fee to be paid by every passenger stage corporation, charter-party carrier of passengers, pipeline corporation, for-hire vessel operator, common carrier vessel operator, and commercial air operator and every other common carrier and related business subject to the jurisdiction of the commission, except as otherwise provided in Article 3 (commencing

with Section 431) of this chapter and Chapter 6 (commencing with Section 5001) of Division 2.

The annual fee shall be established to produce a total amount equal to the amount established in the authorized commission budget for the same year, including adjustments appropriated by the Legislature and an appropriate reserve, to regulate common carriers and related businesses, less the amount to be paid from special accounts or funds pursuant to Section 403, reimbursements, federal funds, other revenues, and unencumbered funds from the preceding year.

421.5. This article shall not apply to any of the following:

(a) Any interstate or foreign highway carrier registered pursuant to the Interstate and Foreign Highway Carriers' Registration Act (Chapter 2 (commencing with Section 3901) of Division 2) who does not otherwise hold any operating authority from the commission to operate in intrastate commerce.

(b) Any railroad corporation.

422. The commission shall establish the fee pursuant to Section 421 with the approval of the Department of Finance and in accordance with the following:

(a) In its annual budget request, the commission shall specify, at a minimum, both of the following:

(1) The amount of its budget to be financed by the fee.

(2) The dollar allocation of the amount of its budget to be financed by the fee by each class of carrier and related business subject to the fee. Each class of carrier and related business subject to this article shall pay fees sufficient to support the commission's regulatory activities for the class from which the fee is collected and to establish an appropriate reserve.

(b) The commission may establish different and distinct methods of assessing fees for each class of carrier and related business, if the revenues collected are consistent with paragraph (2) of subdivision (a).

(c) Within each class of carrier and related business subject to the fee, the commission shall allocate, among the members of the class, the amount of the commission's budget to be financed by the fee based on the ratio that each member's gross intrastate revenues bears to the total gross intrastate revenues of the class.

(d) Any carrier or related business which is a member of more than one class of carrier or related business shall be subject to the fee for each class of which it is a member.

(e) For every carrier and related business having annual gross intrastate revenues of one hundred thousand dollars (\$100,000) or less, the commission shall annually establish uniform fees, which shall be not less than a minimum annual fee, to be paid by each such carrier and related business, if the revenues collected are consistent with paragraph (2) of subdivision (a). Every carrier and related business paying fees pursuant to this subdivision shall show proof of eligibility at the time of payment in a form the commission may

specify.

(f) The commission shall annually establish a uniform fee, which shall be not less than a minimum annual fee, to be paid by every commercial air operator and for-hire vessel operator, if the revenues collected are consistent with paragraph (2) of subdivision (a).

423. Except as provided in Section 404, every carrier and related business subject to Section 421 shall make the payments of the required fee in accordance with the following schedule:

(a) Every carrier and related business with annual gross intrastate revenues of one hundred thousand dollars (\$100,000) or less, commercial air operator, and for-hire vessel operator shall make payment of the fee to the commission on an annual basis on or before January 15.

(b) Every other carrier and related business not subject to subdivision (a) shall make payment of the fee on a quarterly basis between the first and 15th days of July, October, January, and April.

(c) Each carrier and related business subject to subdivision (b) shall, at that time, prepare and transmit a report, in the form the commission may specify, showing the gross operating revenue of the carrier or related business for the calendar quarter covered by the report together with the fee established pursuant to Section 421.

(d) Any carrier or related business required to submit information and reports under this article may, in lieu thereof, submit copies of information or reports made to another governmental agency if all of the following requirements are met:

(1) The alternate information or reports contain all of the information required by the commission.

(2) The requirements to which the alternate information or reports are responsive are clearly identified.

(3) The information or reports are certified by the carrier or related business to be true and correct.

424. As used in this article:

(a) "Class" means a group of carriers or related businesses as specified by the commission for purposes of establishing the fees pursuant to this article. The commission shall create separate classes for the following: passenger vehicle operators, pipeline corporations, vessel operators, and commercial air operators.

(b) "Gross intrastate revenue" includes all compensation for the transportation or storage of property or the transportation of persons when both the origin and destination of the transportation or the performance of the service is within this state, and shall not include compensation for the transportation of persons or property in interstate or foreign commerce or the transportation of vehicles by ferries. "Gross intrastate revenue," as determined pursuant to this article, shall apply only for purposes of determining the fees required by this chapter and shall not necessarily constitute gross operating revenue for any other purpose.

(c) "Fee" means that monetary amount determined in accordance with this article.

425. The employees, representatives, and inspectors of the commission may, under its order or direction, inspect and examine any books, accounts, records, memoranda, documents, papers, and correspondence kept or required to be kept by any carrier or related business referred to in this article. This section shall, to the extent deemed necessary by the commission, apply to persons who have direct or indirect control over, or who are affiliated with, any transportation agency.

### Article 3. Other Public Utilities

431. The commission shall annually determine a fee to be paid by every electrical, gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers or subscribers and subject to the jurisdiction of the commission other than a railroad, except as otherwise provided in Article 2 (commencing with Section 421).

The annual fee shall be established to produce a total amount equal to that amount established in the authorized commission budget for the same year, including adjustments for increases in employee compensation, other increases appropriated by the Legislature, and an appropriate reserve to regulate public utilities less the amount to be paid from special accounts or funds pursuant to Section 402, reimbursements, federal funds, and any other revenues, and the amount of unencumbered funds from the preceding year.

This article shall not apply to any electrical cooperative as defined in Chapter 5 (commencing with Section 2776) of Part 2.

On and after January 1, 1985, this article shall apply to radiotelephone utilities as defined in Section 4902 as those provisions read on December 31, 1984.

432. The commission shall establish the fee pursuant to Section 431 with the approval of the Department of Finance and in accordance with the following:

(a) In its annual budget request, the commission shall specify:

(1) The amount of its budget to be financed by the fee.

(2) The dollar allocation of the amount of its budget to be financed by the fee by each class of public utility subject to the fee. The fee allocation among classes of public utilities shall bear the same ratio that the commission's workload for each class of public utility subject to the fee bears to the commission's total workload for all public utilities subject to the fee.

(b) The commission may establish different and distinct methods of assessing fees for each class of public utility, if the revenues collected are consistent with paragraph (2) of subdivision (a).

(c) Within each class of public utility subject to the fee, the commission shall allocate among the members of the class the amount of its budget to be financed by the fee using the following methods:

(1) For electrical corporations, the ratio that each corporation's

sales in kilowatt hours bears to the total sales in kilowatt hours for the class.

(2) For gas corporations, the ratio that each corporation's sales in therms bears to the total sales in therms for the class.

(3) For telephone and telegraph corporations, the ratio that each corporation's gross intrastate revenues bears to the total gross intrastate revenues for the class.

(4) For water and sewer system corporations, the ratio that each corporation's gross intrastate revenues bears to the total gross intrastate revenues for the class.

(5) For all other public utilities, an appropriate measurement methodology determined by the commission.

(d) Every public utility belonging to more than one class shall be subject to the fee for each class of which it is a member.

(e) For every public utility with annual gross intrastate revenues of seven hundred fifty thousand dollars (\$750,000) or less, the commission shall annually establish uniform fees to be paid by each such public utility, if the revenues collected thereby are consistent with paragraph (2) of subdivision (a) and subdivision (c).

433. Except as provided in Section 404, every public utility subject to Section 431 shall make payment of the required fee in accordance with the following schedule:

(a) Every public utility with annual gross intrastate revenues of seven hundred fifty thousand dollars (\$750,000) or less shall make payment of the fee to the commission on an annual basis on or before January 15.

(b) Every other public utility not subject to subdivision (a) shall make payment of the fee to the commission on a quarterly basis between the first and 15th days of July, October, January, and April.

434. (a) The commission may require every public utility subject to this article to furnish information and reports to the commission, at the time or times it specifies, to enable it to make the allocations pursuant to Section 432.

(b) Any public utility required to submit information and reports under this article may, in lieu thereof, submit information or reports made to any other governmental agency if all of the following are met:

(1) The alternate information or reports contain all of the information required by the commission.

(2) The requirements to which the alternate reports or information are responsive are clearly identified.

(3) The information or reports are certified by the public utility to be true and correct.

435. As used in this article:

(a) "Class" means a group of public utilities as specified by the commission for purposes of establishing fees pursuant to this article. The commission shall create separate classes for the following: electrical corporations, gas and heat corporations, water and sewer system corporations, and telephone and telegraph corporations.



(b) "Fee" means that monetary amount determined in accordance with this article.

(c) "Gross intrastate revenues" means those revenues from a public utility subject to the jurisdiction of the commission and accounted for according to the uniform system of accounts maintained by the commission. For purposes of this article, the amount of gross intrastate revenues of a public utility subject to the jurisdiction of the commission shall be the gross intrastate operating revenues set forth in the annual report of the public utility to the commission.

(d) "Sales in kilowatt hours" means sales in kilowatt hours, subject to the jurisdiction of the commission, for service directly to customers and subscribers of each electrical corporation, and shall not include interdepartmental sales or transfers and sales to other privately owned or publicly owned public utilities furnishing electricity.

(e) "Sales in therms" means sales in therms, subject to the jurisdiction of the commission, for service directly to customers and subscribers of each gas corporation, except interdepartmental sales or transfers and sales to other privately owned or publicly owned public utilities furnishing electricity, gas, or heat.

#### Article 4. Temporary Provisions

441. The Director of Finance may authorize the commission to borrow not to exceed six million dollars (\$6,000,000) for purposes of implementing this chapter from any fund or account, including, but not limited to, the Transportation Rate Fund, the State Energy Resources Conservation and Development Special Account, and the State Energy Resources Conservation and Development Reserve Account, deemed appropriate by the Director of Finance. The commission shall repay the loan with interest to be determined in accordance with Section 16314 of the Government Code.

442. The Legislative Analyst shall prepare and submit a report to the Legislature on or before January 1, 1988, including, but not limited to, an evaluation of the effectiveness of funding the commission pursuant to this chapter and a recommendation as to whether this chapter shall be continued in effect, amended, or repealed.

443. Notwithstanding Section 40031 of the Revenue and Taxation Code, the State Board of Equalization shall establish the surcharge on the consumption of electricity in this state at the maximum rate authorized by Section 40032 of the Revenue and Taxation Code.

SEC. 72. Section 5003.1 of the Public Utilities Code is amended to read:

5003.1. Every railroad corporation, express corporation and freight forwarder, as these terms are defined in Part 1 (commencing with Section 201) of Division 1, and every motor transportation broker, as the term is defined in the Motor Transportation Brokers'

Act, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the commission shall, between the first and 15th days of January, April, July, and October of each year, file with the commission a statement showing the gross operating revenue derived by that person or corporation from the transportation of property for the preceding three calendar months, and shall, at the time of filing the report, pay to the commission a fee of ten dollars (\$10) for each quarter. Every express corporation, freight forwarder, motor transportation broker, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the commission shall, at the time of filing the report, pay to the commission a fee equal to one-third of 1 percent of the amount of the gross operating revenue; provided, however, that for any particular fiscal year the commission, with the approval of the Department of Finance, may fix the fee at less than one-third of 1 percent of that amount.

SEC. 73. Section 100.5 of the Revenue and Taxation Code is amended to read:

100.5. (a) For the 1982-83 fiscal year, if the total of General Fund revenues and transfers for fiscal year 1982-83 plus the amount of General Fund surplus available for appropriation as of June 30, 1982, as estimated on June 10, 1982, by the organization, is more than one hundred million dollars (\$100,000,000) less than the base amount, then the amount of local assistance funds for fiscal year 1982-83 shall be reduced by an amount equal to the difference between the base amount and the amount of the organization's estimate, which difference shall be known as the deflator amount.

(b) For the 1982-83 fiscal year and each fiscal year thereafter, the Governor's Budget for the prior fiscal year shall contain a base amount for the next succeeding fiscal year determined pursuant to paragraph (2) of subdivision (g). This amount may be changed by the Legislature in the Budget Act for the prior fiscal year, in which case this revised amount shall become the base amount for purposes of this section.

(c) Commencing in 1983, the organization shall, on June 10 of each year, determine the difference between the base amount, as determined pursuant to subdivision (b), and the amount of available resources, as defined in paragraph (3) of subdivision (g), and if the amount of available resources is more than one hundred million dollars (\$100,000,000) less than the base amount, then the amount of local assistance funds for the next fiscal year shall be reduced by the amount of the difference, which difference shall be known as the deflator amount.

(d) Notwithstanding any other provision of law, the Controller shall deduct 50 percent of the deflator amount from local assistance funds for local agencies in the next fiscal year, to the extent these funds are available, and 50 percent shall be deducted from local

assistance funds for school entities, to the extent these funds are available. However, the deduction for all school entities statewide shall not exceed the deduction for all local agencies statewide.

(e) The reductions provided for in subdivision (a) or (c) for local agencies shall be made in the following manner:

(1) The Controller shall total the local assistance funds for local agencies based on the amounts estimated for the next fiscal year in the Governor's Budget for that fiscal year.

(2) The Controller shall then calculate a factor derived by dividing 50 percent of the deflator amount by the amount determined in paragraph (1).

(3) If the factor determined in paragraph (2) is less than 1.0, then this factor shall be multiplied by the amount of funds for each individual source of local assistance funds for local agencies. The resulting amount shall be the amount of funds retained by the state from each individual source of local assistance funds for local agencies. The remaining funds from each source of amounts shall be allocated in accordance with the statutes cited in paragraph (1) of subdivision (g).

(4) If the factor determined in paragraph (2) is equal to or greater than 1.0, then no funds from any source of local assistance funds for local agencies shall be allocated to any local agency.

(f) The reductions provided for in subdivision (a) or (c) for school entities shall be made in proportion to the amount each local educational agency's apportionment pursuant to subdivision (f) of Section 41301 or subdivision (a) of Section 84728 of the Education Code bears to 50 percent of the deflator amount provided for in subdivision (a) or (c). However, no educational agency shall receive less than one hundred twenty dollars (\$120) per unit of average daily attendance from all state sources. Reductions under this paragraph for community college districts shall be determined by the Chancellor of the California Community Colleges, and for other school entities by the Superintendent of Public Instruction.

(g) For purposes of this section:

(1) "Local assistance funds" means:

(A) For local agencies, the funds allocated by the state to local agencies pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code; Chapter 5 (commencing with Section 11001) of Part 5 (exclusive of trailer coach fees disbursed pursuant to Sections 11003.3 and 11003.4) and Chapter 9 (commencing with Section 30461) of Part 13 of Division 2 of the Revenue and Taxation Code.

(B) For school entities, the amounts allowed pursuant to subdivision (f) of Section 41301 of the Education Code to all elementary, high school and unified school districts, and county offices of education, and by the Chancellor's Office of the California Community Colleges from the amounts allowed pursuant to subdivision (a) of Section 84301 of the Education Code to all community college districts, or any appropriation in lieu thereof.

(2) "Base amount" means, for the fiscal year 1981-82, twenty-one billion five hundred million dollars (\$21,500,000,000). For each fiscal year thereafter, "base amount" means the base amount for the prior year, adjusted annually by the estimated percentage change from the next fiscal year over the current fiscal year in the total state appropriations subject to limitation for purposes of Article XIII B of the California Constitution.

(3) "Available resources" means the total of General Fund revenues and transfers under current law for the next fiscal year, plus the amount of General Fund surplus available at the end of the current fiscal year, less any amounts of General Fund expenditures estimated by the organization on June 10 to be required in the next fiscal year as a replacement for federal government funding cuts in programs during the 1981-82 fiscal year.

(4) "Local agency" has the meaning provided in subdivision (a) of Section 95.

(5) "School entity" means any school district, community college district, or county office of education.

(6) "Organization" means the organization responsible for accurate and comprehensive long-range estimates, which is the Commission on State Finance, or, if this commission is subsequently abolished, it is the Joint Legislative Budget Committee, assisted by the Department of Finance and the Legislative Analyst.

(h) Notwithstanding any other provision of this section, the amounts of all local assistance funds which are not paid to local agencies or school entities by operation of this section, shall be transferred from their respective funds or accounts to the General Fund for the fiscal year in which such payment is not made.

(i) The reductions provided by this section shall be effective for any fiscal year unless a provision stating a contrary finding is enacted by the Legislature on or before June 30 of each year in the Budget Act.

(j) Notwithstanding any other provision of law, the transfer authority in subdivision (c) of Section 14002 and subdivision (d) of Section 14020 of the Education Code shall have no force or effect if the provisions of subdivision (f) are implemented.

(k) Notwithstanding any other provision of this section, no reduction shall be made pursuant to this section for the 1982-83 fiscal year.

(l) Notwithstanding any other provision of this section, no reduction shall be made to school entities pursuant to this section for the 1983-84 fiscal year.

(m) Notwithstanding any other provision of this section, no reduction shall be made to local agencies pursuant to this section for the period of July 1, 1983, to September 30, 1983.

(n) Notwithstanding any other provision of this section, the amounts of all local assistance funds which are not paid to local agencies by operation of this section during the 1983-84 fiscal year shall be transferred from their respective funds or accounts to the

Motor Vehicle License Fee Account in the Transportation Tax Fund.

(o) Notwithstanding any other provision of this section, the payments provided pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code and Chapter 5 (commencing with Section 11001) of Part 5 and Chapter 9 (commencing with Section 30461) of Part 13 of Division 2 of the Revenue and Taxation Code shall be made for the period July 1, 1983, to September 30, 1983.

SEC. 73.5. Section 100.7 is added to the Revenue and Taxation Code, to read:

100.7. (a) Notwithstanding any other provision of law, to the extent funds are available, the Controller shall reduce the amount of local assistance funds (as defined by Section 100.5) less cigarette tax, which would otherwise be transmitted to cities and counties during July, August, and September of 1983. Reduction in payments amounts for cities and counties shall be equal to one fourth of the amounts determines in subdivisions (b) and (c), respectively.

(b) (1) The Department of Finance shall determine the percentage that "state assistance payments," as defined in Section 95, for each city bears to the total of all such amounts for all cities and shall apply the percentage for each city to four hundred seventy-seven million dollars (\$477,000,000).

(2) The Department of Finance shall determine the percentage that the January 1, 1983, population of each city (as determined by the department) bears to the total population of all cities, and shall apply the percentage for each city to four hundred seventy-seven million dollars (\$477,000,000).

(3) The Department of Finance shall compute for each city an amount equal to its state assistance payments, as defined in Section 95, multiplied by the quotient of the city's 1983-84 assessed valuation divided by the city's 1978-79 assessed valuation. This amount shall then be reduced by the sum of the amounts which would have been received by the city from state subventions in the 1981-82 fiscal year pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and subdivision (c) of Section 26483 of the Revenue and Taxation Code, had those provisions been effective for 1981-82.

(4) The Department of Finance shall determine the lesser of the amounts computed in paragraphs (1), (2), and (3).

(5) The Department of Finance shall compute for each city the total of the paragraph (4) amount plus the greater of (A) zero, three times its paragraph (4) amounts. This amount shall be the city's reduction in payments amount.

(6) For any city identified by paragraph (8) of subdivision (c) of Section 11005.75, upon written request to the Director of Finance by the official described in subdivision (1) of Section 95, the reduction in payments amount shall be reduced by the amount provided in paragraph (8) of subdivision (c) of Section 11005.75 multiplied by 1.3509726.

(7) For any city identified by paragraph (9) of subdivision (c) of Section 11005.75, upon written request to the Director of Finance by the official described in subdivision (i) of Section 95, the reduction in payments amount shall be reduced by 22.009 percent.

(c) (1) The Department of Finance shall determine the percentage that "state assistance payments," as defined in Section 95, for each county bears to the total of all such amounts for all counties and shall apply the percentage for each county to one hundred five million eight hundred thousand dollars (\$105,800,000).

(2) The Department of Finance shall determine the percentage that the January 1, 1983, population of each county (as determined by the department) bears to the total population of all counties and shall apply the percentage for each county to one hundred five million eight hundred thousand dollars (\$105,800,000).

(3) The Department of Finance shall compute for each county an amount equal to its state assistance payments, as defined in Section 95, multiplied by the quotient of the county's 1983-84 assessed valuation divided by the county's 1978-79 assessed valuation. This amount shall then be reduced by the sum of the amounts which would have been received by the county from state subventions in the 1981-82 fiscal year pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and subdivision (c) of Section 26483 of the Revenue and Taxation Code, had those provisions been effective for 1981-82.

(4) The Department of Finance shall determine the lesser of the amounts computed in subparagraphs (1), (2), and (3). This amount shall be the county's reduction in payments amount.

(d) A city and county shall be considered a county for purposes of this section.

(e) (1) For the purposes of subdivision (b), "1983-84 assessed value" shall be determined as follows:

(A) The Department of Finance shall determine for each city the percentage that the amount of change in assessed value between 1978-79 and 1982-83 bears to the total of such assessed value changes for all cities.

(B) The percentage computed in subparagraph (A) shall be applied to the amount of assessed value change between 1982-83 and 1983-84 for all cities, as estimated by the Department of Finance.

(C) The amount computed in subparagraph (B) shall be added to the 1982-83 assessed value.

(2) For the purposes of subdivision (c), "1983-84 assessed value" shall be determined as follows:

(A) The Department of Finance shall determine for each county and city and county the percentage that the amount of change in assessed value between 1978-79 and 1982-83 bears to the total of such assessed value changes for all counties and cities and counties.

(B) The percentage computed in subparagraph (A) shall be applied to the amount of assessed value change between 1982-83 and 1983-84 for all counties and cities and counties, as estimated by the

Department of Finance.

(C) The amount computed in subparagraph (B) shall be added to the 1982-83 assessed value.

(3) For purposes of this section, "1978-79 assessed value" shall not include the taxable portion of business inventory assessed value.

(f) Notwithstanding any other provision of law, the amount of the reductions in payments amounts for cities and counties pursuant to this section shall be retained in the Motor Vehicle License Fee Account in the Transportation Tax Fund and shall be allocated by the Controller for the purposes specified in Item 9100-101-064 of the Budget Act of 1983.

SEC. 75.3. Section 6006 of the Revenue and Taxation Code is amended to read:

6006. "Sale" means and includes:

(a) Any transfer of title or possession, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration. "Transfer of possession," includes only transactions found by the board to be in lieu of a transfer of title, exchange, or barter.

(b) The producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(c) The furnishing and distributing of tangible personal property for a consideration by social clubs and fraternal organizations to their members or others.

(d) The furnishing, preparing, or serving for a consideration of food, meals, or drinks.

(e) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price.

(f) A transfer for a consideration of the title or possession of tangible personal property which has been produced, fabricated, or printed to the special order of the customer, or of any publication.

(g) Any lease of tangible personal property in any manner or by any means whatsoever, for a consideration, except a lease of:

(1) Motion picture, including television, films and tapes.

(2) Linen supplies and similar articles when an essential part of the lease agreement is the furnishing of the recurring service of laundering or cleaning the articles.

(3) Household furnishings with a lease of the living quarters in which they are to be used.

(4) Mobile transportation equipment for use in transportation of persons or property as defined in Section 6023.

(5) Tangible personal property leased in substantially the same form as acquired by the lessor or leased in substantially the same form as acquired by a transferor, as to which the lessor or transferor has paid sales tax reimbursement or has paid use tax measured by the

purchase price of the property. For purposes hereof, transferor shall mean the following:

(A) A person from whom the lessor acquired the property in a transaction described in subdivision (b) of Section 6006.5.

(B) A decedent from whom the lessor acquired the property by will or the laws of succession.

(6) A mobilehome, as defined in Sections 18008 and 18211 of the Health and Safety Code, other than a mobilehome originally sold new prior to July 1, 1980, and not subject to local property taxation.

(7) Paragraphs (1) and (5) and Section 6094.1 shall not apply to rentals or leases of video cassettes, videotapes, and videodiscs.

SEC. 75.5. Section 6010 of the Revenue and Taxation Code is amended to read:

6010. "Purchase" means and includes:

(a) Any transfer of title or possession, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration. "Transfer of possession," includes only transactions found by the board to be in lieu of a transfer of title, exchange, or barter.

(b) When performed outside this state or when the customer gives a resale certificate pursuant to Article 3 (commencing with Section 6091) of Chapter 2 of this part, the producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(c) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price.

(d) A transfer for a consideration of tangible personal property which has been produced, fabricated, or printed to the special order of the customer, or of any publication.

(e) Any lease of tangible personal property in any manner or by any means whatsoever, for consideration, except a lease of:

(1) Motion picture, including television, films and tapes.

(2) Linen supplies and similar articles when an essential part of the lease agreement is the furnishing of the recurring service of laundering or cleaning the articles.

(3) Household furnishings with a lease of the living quarters in which they are to be used.

(4) Mobile transportation equipment for use in transportation of persons or property as defined in Section 6023.

(5) Tangible personal property leased in substantially the same form as acquired by the lessor or leased in substantially the same form as acquired by a transferor, as to which the lessor or transferor has paid sales tax reimbursement or has paid use tax measured by the purchase price of the property. For purposes hereof, transferor shall mean the following:

(A) A person from whom the lessor acquired the property in a



transaction described in subdivision (b) of Section 6006.5.

(B) A decedent from whom the lessor acquired the property by will or the laws of succession.

(6) A mobilehome, as defined in Sections 18008 and 18211 of the Health and Safety Code, other than a mobilehome originally sold new prior to July 1, 1980, and not subject to local property taxation.

(7) Paragraphs (1) and (5) and Section 6094.1 shall not apply to rentals or leases of video cassettes, videotapes, and videodiscs.

SEC. 75.7. Section 6359 of the Revenue and Taxation Code is amended to read:

6359. There are exempted from the taxes imposed by this part the gross receipts from the sale of and the storage, use, or other consumption in this state of food products for human consumption.

"Food products" include cereals and cereal products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and nonmedicated chewing gum.

"Food products" include milk and milk products, milkshakes, malted milks, and any other similar type beverages which are composed at least in part of milk or a milk product and which require the use of milk or a milk product in their preparation.

"Food products" include all fruit juices, vegetable juices, and other beverages, whether liquid or frozen, except bottled water, spirituous, malt or vinous liquors or carbonated beverages.

"Food products" do not include medicines and preparations in liquid, powdered, granular, tablet, capsule, lozenge, and pill form sold as dietary supplements or adjuncts.

None of the exemptions provided for in this section shall apply:

- (a) when the food products are served as meals on or off the premises of the retailer, or
- (b) when the food products are furnished, prepared, or served for consumption at tables, chairs, or counters or from trays, glasses, dishes, or other tableware whether provided by the retailer or by a person with whom the retailer contracts to furnish, prepare, or serve food products to others, or
- (c) when the food products are ordinarily sold for immediate consumption on or near a location at which parking facilities are provided primarily for the use of patrons in consuming the products purchased at the location, even though such products are sold on a "take out" or "to go" order and are actually packaged or wrapped and taken from the premises of the retailer, or
- (d) when the food products are sold for consumption within a place, the entrance to which is subject to an admission charge, except for national and state parks and monuments, or
- (e) when the food products are sold through a vending machine, or
- (f) when the food products are sold as hot prepared food products. "Hot prepared food products," for the purposes of subdivision (f), include a combination of hot and cold food items or components where a single price has been established

for the combination and the food products are sold in such combination, such as a hot meal, a hot specialty dish or serving, or a hot sandwich or a hot pizza, including any cold components or side items. Subdivision (f) shall not apply to a sale for a separate price of bakery goods or beverages (other than bouillon, consommé, or soup), or where the food product is purchased cold or frozen; "hot prepared food products" means those products, items or components which have been prepared for sale in a heated condition and which are sold at any temperature which is higher than the air temperature of the room or place where they are sold.

SEC. 76.5. Section 6359.2 of the Revenue and Taxation Code is repealed.

SEC. 76.7. Section 6359.4 of the Revenue and Taxation Code is repealed.

SEC. 76.8. Section 6359.45 is added to the Revenue and Taxation Code, to read:

6359.45. Any vending machine operator which is a nonprofit, charitable, or education organization is a consumer of, and shall not be considered a retailer of, tangible personal property which sells at retail for fifteen cents (\$0.15) or less and which is actually sold through a vending machine.

SEC. 77. Section 7651 of the Revenue and Taxation Code is amended to read:

7651. Each distributor shall prepare and file with the board on forms prescribed by the board a return showing the total number of gallons of motor vehicle fuel distributed by him within this State during each calendar month, or such monthly period ended during that calendar month as the board may authorize, the amount of license tax due for the month covered by the return, and such other information as the board deems necessary for the proper administration of this part. The distributor shall file the return on or before the 15th day following the monthly period to which it relates, together with a remittance payable to the Controller for the amount of license tax due for that period less whatever amounts may have been paid theretofore for the same period because of returns and payments made on a weekly basis.

SEC. 78. Section 8353 of the Revenue and Taxation Code is amended to read:

8353. By the 28th day of each calendar month, the balance remaining to the credit of the Motor Vehicle Fuel Account at the close of business on the 23rd day of the same month, after payments of refunds and administration and enforcement, as provided for in Section 8352.1, shall, on order of the Controller, be transferred to the Highway Users Tax Account in the Transportation Tax Fund.

SEC. 79. Section 8751 of the Revenue and Taxation Code is amended to read:

8751. The excise tax imposed by this part is due and payable monthly on or before the 15th day of the month following each calendar month in which a taxable use of fuel occurs.

SEC. 79.1. Section 10753 of the Revenue and Taxation Code is amended to read:

10753. (a) For the purposes of this part, on all vehicles the department shall determine the market value of the vehicle on the basis of the cost price to the purchaser as evidenced by a certificate of cost, but not including California sales or use tax or any local sales or other local tax.

(b) In the event any vehicle is modified or additions are made to the chassis or body at a cost of two hundred dollars (\$200) or more, but not including any change of engine of the same type or any cost of repairs to a vehicle, the owner of such vehicle shall report any such modification or additions to the department and the department shall classify or reclassify the vehicle in its proper class as provided in Section 10753.2, taking into consideration the increase in the market value of the vehicle due to such modifications or additions, and any reclassification resulting in increase in market value shall be based on the cost to the consumer of such modifications or additions. In the event any vehicle is modified or altered resulting in a decrease in the market value thereof of two hundred dollars (\$200) or more as reported to and determined by the department, the department shall classify or reclassify the vehicle in its proper class as provided in Section 10753.2.

The foregoing provisions of this subdivision shall not apply in the event: (1) the cost of any modification or additions to the chassis or body of a vehicle is less than two hundred dollars (\$200), (2) the cost is for modifications or additions necessary to incorporate a system approved by the State Air Resources Board as meeting the emission standards set forth in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975, or (3) the cost is for modifications which are necessary to enable a disabled person to use or operate such vehicle.

(c) This section is also applicable to a system specified in subdivision (b) approved by the State Air Resources Board as meeting the emission standards specified in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975, for vehicles 6,001 pounds or less, manufacturer's gross vehicle weight, controlled to meet exhaust emission standards when sold new, when such a system is used in any vehicle over 6,001 pounds or any vehicle 6,001 pounds or less not controlled to meet exhaust emission standards.

(d) The temporary attachment of any camper, as defined in Section 243 of the Vehicle Code, to a vehicle is not a modification or addition for the purposes of subdivision (b).

(e) The attachment to a vehicle of radiotelephone equipment furnished by a telephone corporation, as defined in Section 234 of the Public Utilities Code, is not a modification or addition for the purpose of subdivision (b), when such equipment is not owned by the owner of the vehicle.

SEC. 79.2. Section 10753.2 of the Revenue and Taxation Code is amended to read:

10753.2. (a) After determining the cost price to the purchaser, as provided in this article, the department shall classify every vehicle in its proper class according to the classification plan set forth in this section.

(b) For the purpose of this part, a classification plan is established consisting of the following classes: a class from no dollars (\$0) to and including forty-nine dollars and ninety-nine cents (\$49.99); a class from fifty dollars (\$50) to and including one hundred ninety-nine dollars and ninety-nine cents (\$199.99); and thereafter a series of classes successively set up in brackets having a spread of two hundred dollars (\$200), consisting of such number of classes as will permit classification of all vehicles.

(c) The market value of a vehicle for each registration year, starting with either the year the vehicle was first sold to a consumer as a new vehicle or the year the vehicle was first purchased or assembled by the person applying for original registration in this state, shall be as follows: for the first year, 85 percent of a sum equal to the middle point between the extremes of its class as established in subdivision (b) of this section; for the second year, 85 percent of such sum; for the third year, 70 percent of such sum; for the fourth year, 55 percent of such sum; for the fifth year, 40 percent of such sum; for the sixth year, 30 percent of such sum; for the seventh year, 25 percent of such sum; for the eighth year, 15 percent of such sum; for the ninth year, 10 percent of such sum; and for the 10th year and each succeeding year, 5 percent of such sum; provided, however, that the minimum tax shall be the sum of one dollar (\$1). Notwithstanding the provisions of this subdivision, the market value of a trailer coach first sold on and after January 1, 1966, which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code, shall be determined by the schedule in Section 10753.3.

SEC. 79.3. Section 11005 of the Revenue and Taxation Code is amended to read:

11005. After payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving such amount as is determined by the Pooled Money Investment Board to be necessary to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, 100 percent of the balance of all motor vehicle license fees and any other money appropriated by law for expenditure pursuant to this section and deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and remaining unexpended therein at the close of business on the last day of the calendar month shall be allocated by the Controller by the 10th day of the following month in the following manner:

(a) Fifty percent thereof shall be paid to the cities and cities and counties of this state in the proportion that the population of each

city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For the purpose of this subdivision, the population of each city or city and county is that determined by the last federal decennial or special census, or a subsequent census validated by the population research unit of the Department of Finance or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of a city incorporated subsequent to the last federal census, or census validated by the population research unit of the Department of Finance, or in the case of an inhabited unincorporated territory being annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit of the Department of Finance, the Controller shall ascertain the population of the city, or the annexed territory, by multiplying the number of registered electors therein by three. In the case of uninhabited unincorporated territory being annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit of the Department of Finance, the Controller shall ascertain the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code, or, if no such other estimate or census was made, by multiplying the number of registered electors therein by three two years after the completion of annexation proceedings or at such earlier time as the legislative body may request. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the population research unit of the Department of Finance, the population of the consolidated city, for the purpose of this subdivision, is the aggregate population of the respective cities as determined by the last federal census, or a subsequent census or estimate validated by the population research unit of the Department of Finance.

(b) Fifty percent thereof shall be paid to the counties and cities and counties of the state in the proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the state, as determined by the population research unit of the Department of Finance. For the purpose of this subdivision, the population of each county or city and county is that determined by the last federal census, or subsequent census validated by the population research unit of the Department of Finance, or as determined by Section 11005.6.

(c) Money disbursed by the Controller pursuant to this section may be used for county or city purposes and may, but need not necessarily, be used for purposes of general interest and benefit to the state.

Population changes based on a federal special census or a subsequent census validated by the Department of Finance shall be accepted by the Controller only if certified to him at the request of

the city, city and county, or county for which the census was made and shall become effective on the first day of the month following receipt of such certification.

(d) Notwithstanding the provisions of subdivisions (a), (b), and (c), for the 1983-84 fiscal year only, the moneys transferred to this account pursuant to subdivision (n) of Section 100.5 and subdivision (f) of Section 100.7 shall be allocated by the Controller for the purposes specified in 9100-101-064 of the Budget Act of 1983.

SEC. 82.5. Section 17038 of the Revenue and Taxation Code is amended to read:

17038. (a) For purposes of this part, unless expressly otherwise provided, for taxable years beginning before January 1, 1984, references to the California Consumer Price Index shall mean the California Consumer Price Index for All Urban Consumers (old series).

(b) For taxable years beginning on or after January 1, 1984, references to the California Consumer Price Index shall mean the California Consumer Price Index for All Urban Consumers as modified for rental equivalence homeownership (new series).

SEC. 83. Section 17052.4 of the Revenue and Taxation Code, as amended by Chapter 327 of the Statutes of 1982, is amended and renumbered to read:

17052.8. (a) (1) There shall be allowed as a credit against the amount of "net tax" (as defined in subdivision (h)), an amount equal to the amount determined in paragraph (2), (3), or (5).

(2) Except as provided in paragraphs (3) and (5), the amount of the credit allowed by this section shall be 40 percent of the cost (as defined in paragraph (7)) incurred by the taxpayer for energy conservation measures installed on premises in California which are owned by the taxpayer at the time of installation. For energy conservation measures which are installed on or after August 1, 1983, the percentage specified in the preceding sentence shall be 35 percent (in lieu of 40 percent). The credit shall not exceed one thousand five hundred dollars (\$1,500) for each premises. The owner of the premises on which the energy conservation measures are installed may claim the tax credit for costs incurred; however, an owner-builder or owner-developer of new dwellings may elect not to claim the energy conservation tax credit for any or all energy conservation measures installed on new dwellings. If an owner-builder or owner-developer irrevocably elects not to claim the tax credit for energy conservation measures, the original purchaser of the new dwelling on which the measures are installed may claim the credit provided that the purchaser can confirm the election by a written document signed by the owner-builder or owner-developer.

The energy conservation tax credit shall be claimed in the state income tax return for the taxable year in which the energy conservation measures were installed. However, if an owner-builder or owner-developer irrevocably elects not to claim the tax credit for

energy conservation measures, the original purchaser of the new dwelling on which the energy conservation measures are installed may claim the credit in the taxable year during which the purchaser's escrow closed or the taxable year during which the purchaser acquired legal title to the dwelling.

A taxpayer who claimed the energy conservation tax credit in the state income tax return for the taxable year in which the energy conservation measure was installed, may in any subsequent year claim an energy conservation tax credit for additional energy conservation measures installed in that tax year.

(3) With regard to premises in California which are owned by the taxpayer, other than dwellings, on which the cost of the measures (as defined in paragraph (7)) exceeds six thousand dollars (\$6,000), the amount of the credit allowed by this section shall be 25 percent of the cost (as defined in paragraph (7)) of the energy conservation measures.

(4) (A) If energy conservation measures serve two or more dwelling units, the owner or owners of the dwellings shall be eligible to receive the credit in proportion to the number of dwelling units served. The amount of the credit shall be determined by dividing the cost (as defined in paragraph (7)) of the energy conservation measures by the number of dwelling units served by the energy conservation measures, and applying the formula described in paragraph (2) or (5) to the per dwelling cost.

(B) In the case of a taxpayer who qualifies for a refund provided for under this subdivision, whose credits exceed tax liability computed under this part, minus all other credits provided for in this part, except the credits provided in Sections 17053.5, 17061, and 18551.1, such taxpayer shall be allowed a credit to the extent of the taxpayer's tax liability plus a refund in excess of that amount up to, or combined credit and refund equal to, the credit otherwise provided in this section. For the purposes of this subdivision, a taxpayer qualified for a refund means an individual taxpayer whose adjusted gross income is less than fifteen thousand dollars (\$15,000) and married taxpayers filing joint returns whose adjusted gross income is less than thirty thousand dollars (\$30,000), in the taxable year in which the credit provided in this section is claimed. This subparagraph shall not apply to taxable years beginning on or after January 1, 1982.

(5) Taxpayers who partially own and partially lease on premises in California energy conservation measures from a utility or other lessor shall receive a tax credit as provided in subparagraph (A) or (B).

(A) Except as provided in subparagraph (B), the credit provided by this paragraph shall equal 40 percent of the cost (as defined in paragraph (7)) of the purchased portion and 40 percent of the principal recovery portion (as defined in paragraph (7)) of the lease payments for the first three years of operation or until the energy conservation tax credit terminates, whichever occurs first. Such

credit shall not exceed one thousand five hundred dollars (\$1,500) for each premises.

(B) In the case of premises, other than dwellings, on which the cost (as defined in paragraph (7)) incurred by the lessor exceeds six thousand dollars (\$6,000), the credit provided by this paragraph shall equal 25 percent of the cost (as defined in paragraph (7)) of the purchased portion and 25 percent of the principal recovery portion (as defined in paragraph (7)) of the lease payments for the first three years of operation or until the energy conservation tax credit terminates, whichever occurs first.

(6) For purposes of computing the credit provided by this section and the basis of the property, the cost of any energy conservation measure eligible for the credit provided by this section shall be reduced by the amount of any grant or any nonreimbursable financial assistance (other than interest charges) provided by a utility or a public entity.

(7) For the purposes of computing the credit provided by this section, "cost" shall include installation charges, but shall exclude interest charges. In the case of measures which are leased, "cost" shall mean the principal recovery portion of monthly lease payments. "Principal recovery portion" means the cost incurred by the lessor in acquiring the energy conservation measures, but does not include interest charges, sales taxes, or maintenance expenses.

(b) The basis of any energy conservation measure for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(c) With the exception of a husband and wife, if there is more than one owner of a premises on which energy conservation measures are installed, each owner shall be eligible to receive the energy conservation tax credit in proportion to his or her ownership interests in the premises. In the case of a partnership, the energy conservation tax credit may be divided between the partners pursuant to a written partnership agreement. In the case of a husband or wife who files a separate return, the credit may be taken by either or equally divided between them.

(d) The tax credit provided by this section shall not apply to trusts or estates subject to tax under this part.

(e) In the case where the credit allowed under this section exceeds the "net tax" for the taxable year, that portion of the credit which exceeds such "net tax" may be carried over to the "net tax" in succeeding taxable years, with respect to which this section shall remain in effect for purposes of carrying over excess credit until such credit is used. The credit shall be applied first to the earliest years possible. With regard to energy conservation measures installed between August 1, 1983, and December 31, 1983, no more than 50 percent of the allowable credits under this section shall be applied against the taxpayer's "net tax" for the 1983 taxable year. The remaining portion of the credit shall be carried over to succeeding



taxable years until such credit is used.

(f) The Energy Resources Conservation and Development Commission shall, after one or more public hearings, adopt regulations which establish minimum standards which any item of a generic category of energy conservation measure, as defined by this section, must meet to be eligible for an energy conservation tax credit. Such standards shall include minimum provisions for effectiveness, safety and consumer protection which are consistent with standards established pursuant to the National Energy Conservation Policy Act and other applicable federal and state law. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section. Regulations adopted by the Energy Resources Conservation and Development Commission and the Franchise Tax Board, pursuant to this section, shall be in language which is easily understood by the general public.

(g) (1) If a federal income tax credit is enacted for costs incurred by a taxpayer for the purchase and installation of energy conservation measures in dwelling units, then to the extent such credit is allowed or allowable for an energy conservation measure as defined in this section, the state credit provided in paragraph (2) of subdivision (a) shall be reduced so that the combined effective credit shall not exceed either 40 percent or 35 percent, as provided in paragraph (2) of subdivision (a), of such costs, notwithstanding the carryover provisions of subdivision (e).

(2) If a federal income tax credit is enacted for costs incurred by a taxpayer for the purchase and installation of energy conservation measures in other than dwelling units, then to the extent such credit is allowed or allowable for an energy conservation measure as defined in this section, the state credit provided in paragraphs (2) and (3) of subdivision (a) shall be reduced by the amount of such federal credit.

(h) For purposes of this section:

(1) "Installed" means placed in position in a functionally operative state.

(2) "Net tax" means the tax imposed under either Section 17041 or 17048 minus all credits except the credits provided by Section 17061 (relating to excess state disability insurance withheld), Section 18555.1 (relating to income tax withheld), and Section 17053.5 (relating to the renters' credit).

(3) "Owner" includes duly recorded holders of legal title, lessees with at least three years remaining on their lease, a person purchasing premises under a contract of sale, or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy to the premises, a person who is a member of a nonprofit corporation or association which is a duly recorded holder of legal title, or a person who is a member of a nonprofit corporation or association which is a lessee with at least three years remaining on its lease.

(4) "Premises" means land, buildings, or mobilehomes.

(5) "Dwelling" means a building used for residential purposes, and includes single-family residences, mobilehomes, and individual units of apartments, condominiums, cooperatives, or other similar multiple dwellings.

(6) "Energy conservation measure" means any item with a useful life of not less than three years of one of the following generic categories which meets the minimum standards as specified pursuant to subdivision (f):

(A) Ceiling insulation.

(B) Weatherstripping of all doors and windows which lead to unheated or uncooled areas so as to effectively and reliably limit air infiltration.

(C) An external water heater insulation blanket.

(D) Low flow devices on all accessible shower heads.

(E) Caulking or sealing of all major cracks and joints and other openings in building exteriors to reduce the loss of heated or cooled air or the entry of outside air where feasible, and sealing of wall outlets.

(F) Insulation of all accessible supply and return heating and cooling system ducts and plenums which are located in unheated or uncooled areas and sealing of all duct and plenum joints with pressure-sensitive tape or mastic.

(G) Covers for swimming pools or hot tubs which transmit the sun's radiation energy into the water or reduce heat loss or water evaporation.

(H) For existing dwellings, such other measures or devices as may be designated "residential energy conservation measures" approved and adopted as part of an appropriate operational Residential Conservation Service Plan pursuant to the provisions of Section 210 of Title II of the National Energy Conservation Policy Act (92 Stat. 3206) and recommended as the result of an audit conducted under the auspices of such a plan. This generic category includes, but is not limited to:

(i) Electrical or mechanical furnace ignition systems which replace gas pilot lights;

(ii) Devices modifying the openings of heating and cooling systems which achieve increased efficiency;

(iii) Storm or thermal windows or doors for the exterior of dwellings, ventilation cooling, heat absorbing or heat reflective glazed windows and door materials, exterior shading devices, and movable insulation such as shutters or thermal drapes, which substantially reduce the energy needed for space heating and cooling;

(iv) Heat pumps and water heating heat pumps (including those which use air, water or earth as a source or sink of heat) which replace electric resistance heaters, or are used in conjunction with a solar energy system;

(v) Load management devices to reduce the direct or indirect use of electricity through interruption, storage or load limiting;

(vi) Insulation for floors and walls.

(I) For existing dwellings where there is no operational Residential Conservation Service (RCS) Plan certified in accordance with this section or in regions where such a plan does not provide energy audits, and for premises, other than dwellings:

(i) Electrical or mechanical furnace ignition systems which replace gas pilot lights;

(ii) Devices modifying the openings of restaurant food preparation appliances or heating and cooling systems so as to achieve increased energy efficiency;

(iii) Storm or thermal windows or doors for the exterior of dwellings, ventilation cooling, heat absorbing or heat reflective glazed windows and door materials, exterior shading devices, and movable insulation such as shutters or thermal drapes which substantially reduce the energy needed for space heating and cooling, and glazing materials (other than doors and windows), controls or automatic switching devices for effective use of natural light to replace electric interior lighting which result in a net energy savings.

(iv) Heat pumps and water heating heat pumps (including those which use air, water or earth as a source or sink of heat) which replace electric resistance heaters, or are used in conjunction with a solar energy system.

(v) Load management devices to reduce the direct or indirect use of electricity through interruption, storage or load limiting.

(vi) Insulation of floors and walls.

(J) For newly constructed dwellings:

(i) Storm or thermal windows or doors for the exterior of dwellings.

(ii) Ventilation cooling.

(iii) Heat absorbing or heat reflective glazed windows and door materials.

(iv) Exterior shading devices.

(v) Movable insulation such as shutters or thermal drapes.

(vi) Load management devices.

(vii) Insulation of floors and walls.

(viii) Water heating heat pumps which replace electric resistance water heaters.

Energy conservation measures in the generic categories of subparagraphs (A), (B), (C), (D), (E), and (F) installed in multifamily dwelling units shall be ineligible as energy conservation measures and shall have no force or effect in the computation of taxes for taxable years which begin after December 31, 1985.

Energy conservation measures in the generic categories of subparagraphs (H), (I), and (J) shall be ineligible as energy conservation measures and shall have no force or effect in the computation of taxes for taxable years which begin after December 31, 1985.

(7) The energy conservation tax credit provided by this section

shall also apply to the cost of conducting energy audits and engineering feasibility studies resulting therefrom.

(8) "Operational Residential Conservation Service Plan" means a Residential Conservation Service (RCS) Plan, developed pursuant to the provisions of Section 210 of Title II of the National Energy Conservation Policy Act (92 Stat. 3206), and which provides energy audits for measures identified in this section in accordance with the requirements of such a RCS Plan. The Energy Resources Conservation and Development Commission shall, after at least one public hearing, certify when participating utilities identified in the California Plan for the Residential Conservation Service dated January, 1981, have operational RCS Plans. In the case of a publicly owned utility, a Residential Conservation Service Plan developed pursuant to the provisions of Section 210 of Title II of the National Energy Conservation Policy Act (92 Stat. 3206), shall be certified by the governing board of the publicly owned utility to be operational. Certification that a plan is operational by the commission or the governing board of a publicly owned utility shall occur only after a finding is made that audits are available to utility customers within the time specified in the appropriate approved plan.

(i) In lieu of claiming the tax credit provided by this section, the taxpayer may elect to take depreciation pursuant to Section 17208.7. In addition, the taxpayer may take depreciation pursuant to that section for the cost of an energy conservation measure in excess of the amount of the tax credit claimed under this section.

(j) No tax credit may be claimed under this section for any expenditures which have been otherwise claimed as a tax credit for the taxable year in which the energy conservation measure was installed or for any prior taxable year.

(k) No credit shall be allowed under this section if the amount would (but for this subdivision) be less than ten dollars (\$10).

(l) (1) Except as provided in paragraph (2) of this subdivision, the tax credit provided by this section shall not apply to energy conservation measures required by state laws and regulations pursuant thereto, at the time of installation.

(2) Notwithstanding the provisions of paragraph (1), a credit shall be allowed for energy conservation measures specified in subparagraph (G) of paragraph (6) of subdivision (h).

SEC. 84. Section 17052.5 of the Revenue and Taxation Code is amended to read:

17052.5. (a) (1) There shall be allowed as a credit against the amount of "net tax" (as defined in subdivision (i)), an amount equal to the amount determined in paragraph (2), (3), or (6).

(2) Except as provided in subparagraph (D) of this paragraph and paragraphs (3) and (6), the amount of the credit allowed by this section shall be 55 percent of the cost (as defined in paragraph (7)) incurred by the taxpayer for any solar energy system installed on premises in California which are owned by the taxpayer at the time of installation. For any such solar energy system installed on or after

August 1, 1983, the percentage specified by this paragraph, subparagraph (C), subparagraph (A) of paragraph (6), and subdivision (h) shall be 50 percent. The credit shall not exceed three thousand dollars (\$3,000) per solar energy system as defined in paragraph (6) of subdivision (i).

(A) The owner of the premises on which the solar energy system is installed may claim the tax credit for costs incurred; however, an owner-builder or owner-developer of new dwellings may elect not to claim the solar energy tax credit for any or all systems installed on new dwellings. If an owner-builder or owner-developer irrevocably elects not to claim the tax credit for a solar energy system, the original purchaser of the new dwelling on which the system is installed may claim the credit provided that the purchaser can confirm the election by a written document signed by the owner-builder or owner-developer.

(B) The solar energy tax credit shall be claimed in the state income tax return for the taxable year in which the solar energy system was installed; however, if an owner-builder or owner-developer irrevocably elects not to claim the tax credit for a solar energy system, the original purchaser of the new dwelling on which the system is installed may claim the credit in the taxable year during which the purchaser's escrow closed or the taxable year during which the purchaser acquired legal title to the dwelling.

(C) A taxpayer who claimed the solar energy tax credit in the state income tax return for the taxable year in which the solar energy system was installed, may claim the credit in subsequent years for additions to the system or additional systems pursuant to this paragraph, so long as the total amount of the credit claimed under the 55-percent formula does not exceed three thousand dollars (\$3,000).

(D) With regard to recreational or therapeutic solar energy water heating systems, the amount of the credit allowed by this section shall be 45 percent of the cost of the system for systems installed between January 1, 1981, and December 31, 1981, 35 percent of the cost (as defined in paragraph (7)) of the system for systems installed between January 1, 1982, and December 31, 1982, and 25 percent of the cost of the systems installed after January 1, 1983, and before August 1, 1983. Such credit shall not exceed three thousand dollars (\$3,000). No credit shall be allowed pursuant to this section with regard to recreational or therapeutic solar energy water heating systems installed on or after August 1, 1983.

(3) With regard to premises in California which are owned by the taxpayer, other than dwellings, on which the cost (as defined in paragraph (7)) of the system exceeds twelve thousand dollars (\$12,000), the amount of the credit allowed by this section shall be 25 percent of the cost of the solar energy system.

A taxpayer who claimed the solar energy tax credit in the state income tax return for the taxable year in which the solar energy system was installed, may claim the credit in subsequent years for

additions to the system or additional systems by the amount prescribed by this paragraph.

(4) If a solar energy system serves two or more dwellings, the owner or owners of the dwellings shall be eligible to receive the credit in proportion to the number of dwelling units served. The amount of the credit shall be determined by dividing the cost (as defined in paragraph (7)) of the solar energy system by the number of dwelling units served by the system, and applying the formula described in paragraph (2) or (6) to the per dwelling cost.

(5) Energy conservation measures applied in conjunction with solar energy systems to reduce the total cost or backup energy requirements of such systems shall be considered part of the systems, and shall be eligible for the tax credit. Qualified energy conservation measures installed within six months of the date of installation of the solar energy system are considered to be installed "in conjunction with" the solar energy system, even if the period spans two taxable years. In cases involving more than six months between the dates of installation of the energy conservation measures and the solar energy system, the taxpayer must be able to provide persuasive evidence that the energy conservation measures were in fact installed in conjunction with a solar energy system. Eligible conservation measures applied in conjunction with solar space heating shall include, but not be limited to, ceiling, wall, and floor insulation above that required by law at the time of original construction. Eligible conservation measures applied in conjunction with solar water heating shall include, but not be limited to, water heater insulation jackets, and shower and faucet flow reducing devices. Energy conservation measures which shall be eligible for the tax credit when applied in conjunction with solar energy systems shall be defined by the Energy Resources Conservation and Development Commission as part of the solar energy system eligibility criteria.

(6) Taxpayers who partially own and partially lease on premises in California a solar energy system from a municipal utility or any lessor granted a permit from a municipal solar utility established by ordinance of the local jurisdiction prior to January 1, 1983, shall receive a tax credit as provided in subparagraph (A) or (B).

(A) Except as provided in subparagraph (B), the credit shall equal 55 percent of the cost (as defined in paragraph (7)) of the purchased portion, and 55 percent of the principal recovery portion (as defined in paragraph (7)) of the lease payments for the first three years of operation or until the solar tax credit terminates, whichever occurs first. That credit shall not exceed three thousand dollars (\$3,000) for each system. For any solar energy system installed on or after August 1, 1983, the percentage specified by this subparagraph shall be 50 percent.

(B) In the case of premises, other than dwellings, on which the cost (as defined in paragraph (7)) incurred by the lessor exceeds twelve thousand dollars (\$12,000), the credit shall equal 25 percent of the cost (as defined in paragraph (7)) of the purchased portion

and 25 percent of the principal recovery portion (as defined in paragraph (7)) of the lease payments for the first three years of operation or until the solar tax credit terminates, whichever occurs first.

(7) The compensation paid to the owner of burdened property in connection with the acquisition of a solar easement as defined in Section 801.5 of the Civil Code, and the fees for the recording of such an easement shall be considered part of the cost of the solar energy systems, and shall be eligible for the tax credit.

In addition, for purposes of computing the credit provided by this section, "cost" shall include installation charges, but shall exclude interest charges. In the case of a system which is leased, "cost" shall mean the principal recovery portion of monthly lease payments. "Principal recovery portion" means the cost incurred by the lessor in acquiring the solar energy system, but does not include interest charges, sales taxes, or maintenance expenses.

(8) For purposes of computing the credit provided by this section, the cost of any solar energy system eligible for the credit provided by this section shall be reduced by any grant provided by a public entity for such system.

(b) The basis of any system for which a credit is allowed shall be reduced by the amount of the credit and any grant provided by a utility or public entity for such solar energy system. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(c) With the exception of a husband and wife, if there is more than one owner of a premises on which a solar energy system is installed, each owner shall be eligible to receive the solar energy tax credit in proportion to his or her ownership interests in the premises. In the case of a partnership, the solar energy tax credit may be divided between the partners pursuant to a written partnership agreement. In the case of a husband or wife who files a separate return, the credit may be taken by either or equally divided between them.

(d) The tax credit provided by this section shall not apply to trusts or estates subject to tax under this part.

(e) In the case where the credit allowed under this section exceeds the "net tax" for the taxable year, that portion of the credit which exceeds such "net tax" may be carried over to the "net tax" in succeeding taxable years, until such credit is used. The credit shall be applied first to the earliest years possible. With regard to solar energy systems installed between August 1, 1983, and December 31, 1983, no more than 50 percent of the allowable credits under this section shall be applied against the taxpayer's "net tax" for the 1983 taxable year. The remaining portion of the credit shall be carried over to succeeding taxable years until such credit is used.

(f) In the case of a taxpayer who qualifies for a refund provided for under this subdivision, whose credits exceed tax liability computed under this part, minus all other credits provided for in this part, except the credits provided in Sections 17061, 18551.1 and

17053.5, the taxpayer shall be allowed a credit to the extent of the taxpayer's tax liability plus a refund in excess of that amount up to, or a combined credit and refund equal to, the credit otherwise provided in this section. For the purposes of this subdivision, a taxpayer qualified for a refund means an individual taxpayer whose adjusted gross income is less than fifteen thousand dollars (\$15,000) and married taxpayers filing joint returns whose adjusted gross income is less than thirty thousand dollars (\$30,000) in the taxable year in which the credit provided in this section is claimed. This subdivision shall not apply to taxable years beginning on or after January 1, 1982.

(g) The Energy Resources Conservation and Development Commission shall, after one or more public hearings, establish guidelines and criteria for solar energy systems which shall be eligible for the credit provided by this section. Such guidelines and criteria may include, but shall not be limited to, minimum requirements for safety, reliability and durability of solar energy systems. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(h) If a federal income tax credit is enacted for costs incurred by a taxpayer for the purchase and installation of solar energy systems, then to the extent such credit is allowed or allowable for a solar energy system as defined in this section, the state credit provided in paragraph (2) of subdivision (a) and subparagraph (A) of paragraph (6) shall be reduced so that the combined effective credit shall not exceed 55 percent of such costs, notwithstanding the carryover provisions of subdivision (e). For any solar energy system installed on or after August 1, 1983, the percentage specified by this subdivision shall be 50 percent.

(i) For purposes of this section:

(1) "Installed" means placed in position in a functionally operative state.

(2) "Net tax" means the tax imposed under either Section 17041 or 17048 minus all credits except the credits provided by Section 17061, (relating to excess state disability insurance withheld), Section 18551.1, (relating to income tax withheld), and Section 17053.5, (relating to the renters' credit).

(3) "Owner" includes duly recorded holders of legal title, lessees with at least three years remaining on their lease, a person purchasing premises under a contract of sale, or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy to the premises, a person who is a member of a nonprofit corporation or association which is a duly recorded holder of legal title, or a person who is a member of a nonprofit corporation or association which is a lessee with at least three years remaining on its lease.

(4) "Premises" means the principal stationary location in California where the installed system is to be used and includes land, buildings or portions thereof, or mobilehomes.



(5) "Dwelling" means a building used for residential purposes, and includes single-family residences, mobilehomes, and individual units of apartments, condominiums, cooperatives, or other similar multiple dwellings.

(6) (A) "Solar energy system" means the use of solar devices for the individual function of:

- (i) Domestic, recreational, therapeutic, or service water heating;
- (ii) Space conditioning;
- (iii) Production of electricity;
- (iv) Process heat;
- (v) Solar mechanical energy; and
- (vi) Wind energy for the production of electricity or mechanical work.

The term "solar energy system" shall include, but is not limited to, passive thermal systems, semipassive thermal systems, active thermal systems, photovoltaic systems and wind-driven systems.

(B) Eligible solar energy systems shall have a useful life of not less than three years.

(7) "Solar device" means the equipment associated with the collection, transfer, distribution, storage or control of solar energy. In the case of a solar device associated with two or more solar energy systems, the credit allowed for the solar device may be taken for any one of the systems, or divided equally between them.

(8) "Passive thermal system" means a system which utilizes the structural elements of the building, and is not augmented by mechanical components, to provide for collection, storage, or distribution of solar energy for heating or cooling.

(9) "Active thermal system" means a system which utilizes solar devices thermally isolated from the living space to provide for collection, storage, or distribution of solar energy for heating or cooling.

(10) "Semipassive thermal system" means a system which utilizes the structure of a building or is augmented by mechanical components to provide for collection, storage, or distribution of solar energy for heating or cooling.

(j) In lieu of claiming the tax credit provided by this section, the taxpayer may elect to take depreciation pursuant to Section 17208. In addition, the taxpayer may take depreciation pursuant to that section for the cost of a solar energy system in excess of the amount of the tax credit claimed under this section.

(k) No tax credit may be claimed under this section for any expenditures which have been otherwise claimed as a tax credit for the current or any prior taxable year as energy conservation measures under this part.

(l) No credit shall be allowed under this section if the amount would (but for this subdivision) be less than ten dollars (\$10).

(m) This section shall remain in effect only until January 1, 1987, and on that date is repealed, unless a later enacted statute, which is chaptered before this date, deletes or extends the date. However,

any unused credit may be used beyond that date on the same basis and to the same extent as permitted under the law immediately prior to January 1, 1987.

SEC. 84.5. Section 17054 of the Revenue and Taxation Code is amended to read:

17054. In the case of individuals computing their tax under Section 17041 or Section 17048, the following credits for personal exemption may be deducted from the tax imposed.

(a) In the case of a single individual, or a married individual making a separate return a credit of twenty-five dollars (\$25).

(b) In the case of a head of household, a surviving spouse (as defined in Section 17046), or a husband and wife making a joint return, a credit of fifty dollars (\$50). If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for all or any portion of the taxable year, the personal exemption shall be divided equally and the portion deductible by the nonresident shall be determined under Section 17055. The preceding sentence shall not apply to a nonresident active member of the armed forces of the United States or any auxiliary branch thereof and his or her spouse.

(c) Except as provided in subdivision (e) of Section 17057, a credit of eight dollars (\$8) for each dependent (as defined in Section 17056)—

(1) Whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than one thousand dollars (\$1,000), or

(2) Who is a child of the taxpayer and who (A) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or (B) is a student.

(3) No exemption shall be allowed under this subdivision for any dependent who has made a joint return with his spouse under Section 18402 for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

(4) For purposes of paragraph (2), the term “child” means an individual who (within the meaning of Section 17056) is a son, stepson, daughter or stepdaughter of the taxpayer.

(5) For purposes of subparagraph (B) of paragraph (2) of this subdivision and Section 17059, the term “student” means an individual who during each of five calendar months during the calendar year in which the taxable year of the taxpayer begins—

(A) Is a full-time student at an educational institution; or

(B) Is pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational institution or of a state or political subdivision of a state.

For purposes of this paragraph, the term “educational institution” means only an educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on.

(d) A credit for personal exemption of eight dollars (\$8) for the taxpayer if he is blind at the close of his taxable year.

(e) A credit for personal exemption of eight dollars (\$8) for the spouse of the taxpayer if a separate return is made by the taxpayer, and if the spouse is blind and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(f) For the purposes of this section, an individual is blind only if either: his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(g) For taxable years beginning after December 31, 1977 and before January 1, 1979, the twenty-five dollars (\$25) specified in subdivision (a) shall be one hundred dollars (\$100) instead of twenty-five dollars (\$25), and the fifty dollars (\$50) specified in subdivision (b) shall be two hundred dollars (\$200) instead of fifty dollars (\$50). If the taxpayer has more than one taxable year beginning after December 31, 1977 and before January 1, 1979, such taxpayer shall be allowed the increased exemption provided by this subdivision only with respect to the taxable year which covers the most number of months.

(h) For each taxable year beginning on or after January 1, 1979, and ending on or before November 30, 1984, the Franchise Tax Board shall compute the credits prescribed in this section. Such computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of 1978 to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall add 100 percent to the percentage change figure which is furnished to them pursuant to paragraph (1), and divide the result by 100.

(3) The Franchise Tax Board shall multiply the 1977 taxable year credits by the inflation adjustment factor provided in paragraph (2), rounded off to the nearest one dollar (\$1).

(4) In computing the credits pursuant to this subdivision, the credit provided in subdivision (b) shall be twice the credit provided in subdivision (a).

(i) For each taxable year beginning on or after January 1, 1984, the Franchise Tax Board shall compute the credits prescribed in this section. That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index as modified for rental equivalent homeownership for all items from June of 1983 to June of the current calendar year, no later than August 1 of the current

calendar year.

(2) The Franchise Tax Board shall add 100 percent to the percentage change figure which is furnished to them pursuant to paragraph (1), and divide the result by 100.

(3) The Franchise Tax Board shall multiply the 1983 taxable year credits by the inflation adjustment factor provided in paragraph (2), rounded off to the nearest one dollar (\$1).

(4) In computing the credits pursuant to this subdivision, the credit provided in subdivision (b) shall be twice the credit provided in subdivision (a).

SEC. 84.6. Section 17204 of the Revenue and Taxation Code, as amended by Section 2 of Chapter 502 of the Statutes of 1982, is amended to read:

17204. (a) Except as otherwise provided in this section and Section 17205, the following taxes and assessments shall be allowed as a deduction for the taxable year within which paid or accrued:

(1) State and local, and foreign, real property taxes, less any amounts received from the state pursuant to the authorization contained in Section 1d of Article XIII of the Constitution.

(2) State and local personal property taxes.

(3) State and local general sales taxes.

(4) Standby or availability charges or special taxes for fire suppression and police protection services imposed pursuant to Chapter 397 of the Statutes of 1979.

In addition, there shall be allowed as a deduction state and local, and foreign, taxes not described in this subdivision which are paid or accrued within the taxable year in carrying on a trade or business or an activity described in Section 17252 (relating to expenses for production of income).

(b) For purposes of this section and Section 17205—

(1) “Personal property tax” means an ad valorem tax which is imposed on an annual basis in respect of personal property, and for the purpose of allowing a deduction under this part, includes, but is not limited to, fees imposed as an excise tax under Section 10751 of the Revenue and Taxation Code.

(2) (A) “General sales tax” means a tax imposed at one rate in respect of the sale at retail of a broad range of classes of items.

(B) In the case of items of food, clothing, medical supplies, and motor vehicles—

(i) The fact that the tax does not apply in respect of some or all of such items shall not be taken into account in determining whether the tax applies in respect of a broad range of classes of items, and

(ii) The fact that the rate of tax applicable in respect of some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

(C) Except in the case of a lower rate of tax applicable in respect of an item described in subparagraph (B), no deduction shall be allowed under this section for any general sales tax imposed in

respect of an item at a rate other than the general rate of tax.

(D) A compensating use tax in respect of an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term "compensating use tax" means, in respect of any item, a tax which—

(i) Is imposed on the use, storage, or consumption of such item, and

(ii) Is complementary to a general sales tax, but only if a deduction is allowable under subdivision (a) (3) in respect of items sold at retail in the taxing jurisdiction which are similar to such item.

(3) A state or local tax includes only a tax imposed by a state, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia.

(4) A foreign tax includes only a tax imposed by the authority of a foreign country.

(5) If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

(c) No deduction shall be allowed for the following taxes:

(1) Taxes paid or accrued to the state under this part.

(2) Taxes on or according to or measured by income or profits paid or accrued within the taxable year imposed by the authority of any of the following:

(A) The government of the United States or any foreign country.

(B) Any state, territory, county, city and county, school district, municipality, or other taxing subdivision of any state or territory.

(C) Taxes imposed by authority of the government of the United States include—

(i) The tax imposed by Section 3101 of the Internal Revenue Code of 1954 (relating to the tax on employees under the Federal Insurance Contributions Act);

(ii) The taxes imposed by Sections 3201 and 3211 of the Internal Revenue Code of 1954 (relating to the taxes on railroad employees and railroad employee representatives); and

(iii) The tax withheld on wages under Section 3402 of the Internal Revenue Code of 1954.

(3) Federal war profits and excess profits taxes.

(4) Estate, inheritance, legacy, succession, and gift taxes.

(5) Taxes computed as an addition to, or as a percentage of, taxes which are not deductible under this section.

(6) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but this does not exclude the allowance as a deduction of so much of the taxes assessed against local benefits as is properly allocable to maintenance or interest charges.

(7) Taxes on real property, to the extent that Section 17205

requires such taxes to be treated as imposed on another taxpayer.

(8) Taxes imposed by Sections 4971–4975 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to excise taxes on prohibited transactions and contributions).

(d) The amendments made to this section by the act adding this subdivision shall be applicable in the computation of taxes for taxable years commencing after December 31, 1982.

SEC. 84.7. Section 17204 of the Revenue and Taxation Code, as added by Section 3 of Chapter 502 of the Statutes of 1982, is repealed.

SEC. 84.8. Section 17204.2 is added to the Revenue and Taxation Code, to read:

17204.2. There shall be allowed a ridesharing tax deduction for either or both of the following:

(a) The cost of monthly transit passes purchased for use by the taxpayer, or for use principally in this state by dependents listed on the return, except that no deduction shall be allowed for transit passes issued for the use of or used by elementary and secondary school students traveling to and from school. In the case of a husband and wife filing a joint return, the deduction provided by this clause shall be allowed to each spouse if a monthly transit pass is purchased by each spouse. The deduction shall be for the cost of each pass purchased, but shall not exceed seven dollars (\$7) per month for each pass for any taxable year. For purposes of this clause, “monthly transit passes” means any single purchase of transit rides that entitles the purchaser to 40 or more rides per month (whether at a discount or at the base fare rate) within this state where evidence of purchase is furnished to the purchaser. For purposes of this clause, “transit” means transportation service for use by the general public that utilizes buses, railcars, or ferries with a seating capacity of 16 or more persons.

(b) The cost of participation principally in this state, by the taxpayer or any dependent listed on the return, in a private, third-party or employer-sponsored vanpool, buspool, or subscription taxipool. The deduction shall be allowed for the cost of participation to each vanpool, buspool, or subscription taxipool participant, but shall not exceed seven dollars (\$7) per month for each person for any taxable year. For purposes of this clause, “vanpool” means eight or more persons commuting on a daily basis to and from work by means of a vehicle with a seating arrangement designed to carry eight to 15 passengers; “buspool” means 16 or more persons commuting on a daily basis to and from work by means of a vehicle with a seating arrangement designed to carry more than 15 passengers; “subscription taxipool” means a type of service in which employers or groups of employees contract with a public or private taxi operator to provide daily commuter service for a group of preassembled subscribers on a prepaid or daily fare basis, following a relatively fixed route tailored to meet the needs of the subscribers; and “third-party vanpool” means a vanpool that is not administered and

operated by an employer or his or her employees, but is administered and operated by an outside organization including a government agency, which makes vehicles and other equipment and services available for use by employers and their employees.

(c) This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends such date.

SEC. 84.9. Section 17204.3 of the Revenue and Taxation Code is repealed.

SEC. 85.1. Section 17253 of the Revenue and Taxation Code is amended to read:

17253. (a) There shall be allowed as a deduction the expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his or her spouse, and dependents (as defined in Section 17056) to the extent that those expenses exceed 5 percent of adjusted gross income.

(b) As used in this section, "expenses" includes any amount paid, as required under the parental reimbursement regulation in Title 17 of the California Administrative Code, as certified by the State Department of Developmental Services.

(c) For the purpose of computing the deduction allowed under this section, adjusted gross income shall mean the adjusted gross income shown on the federal tax return for the same taxable year.

(d) The amendments made to this section by the act adding this subdivision shall be applicable in the computation of taxes for taxable years commencing after December 31, 1982.

SEC. 85.2. Section 17254 of the Revenue and Taxation Code is amended to read:

17254. (a) An amount paid during the taxable year for medicine or a drug shall be taken into account under Section 17253 only if that medicine or drug is a prescribed drug or insulin.

(b) The amendments made to this section by the act adding this subdivision shall be applicable in the computation of taxes for taxable years commencing after December 31, 1983.

SEC. 85.3. Section 17257 of the Revenue and Taxation Code is amended to read:

17257. (a) For purposes of Section 17253, "medical care" means amounts paid—

(1) For the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body,

(2) For transportation primarily for an essential to medical care referred to in paragraph (1), or

(3) For insurance (including amounts paid as premiums under Part B of Title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care referred to in paragraphs (1) and (2).

(b) For purposes of Section 17254, with respect to taxable years commencing after December 31, 1983:

(1) "Prescribed drug" means a drug or biological which requires a prescription of a physician for its use by an individual.

(2) "Physician" has the meaning given to that term by Section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)).

(c) In the case of an insurance contract under which amounts are payable for other than medical care referred to in paragraphs (1) and (2) of subdivision (a)—

(1) No amount shall be treated as paid for insurance to which paragraph (3) of subdivision (a) applies unless the charge for the insurance is either separately stated in the contract, or furnished to the policyholder by the insurance company in a separate statement.

(2) The amount taken into account as the amount paid for the insurance shall not exceed that charge, and

(3) No amount shall be treated as paid for the insurance if the amount specified in the contract (or furnished to the policyholder by the insurance company in a separate statement) as the charge for the insurance is unreasonably large in relation to the total charges under the contract.

(d) Subject to the limitations of subdivision (c), premiums paid during the taxable year by a taxpayer before he or she attains the age of 65 for insurance covering medical care (within the meaning of paragraphs (1) and (2) of subdivision (a) for the taxpayer, his or her spouse, or a dependent after the taxpayer attains the age of 65 shall be treated as expenses paid during the taxable year for insurance which constitutes medical care if premiums for that insurance are payable (on a level payment basis) under the contract for a period of 10 years or more or until the year in which the taxpayer attains the age of 65 (but in no case for a period of less than five years).

SEC. 88.2. Section 18693 of the Revenue and Taxation Code is repealed.

SEC. 88.4. Section 19269 of the Revenue and Taxation Code, as amended by Chapter 10 of the Statutes of 1983, First Extraordinary Session, is amended to read:

19269. (a) The rate established under this section (referred to in other code sections as "the adjusted annual rate") shall be the adjusted rate established by the Franchise Tax Board under subdivision (b).

(b) (1) If the adjusted prime rate charged by banks (rounded to the nearest full percent)—

(A) During the six-month period ending on September 30 of any calendar year, or

(B) During the six-month period ending on March 31 of any calendar year,

differs from the interest rate in effect under this section on either one of those dates, respectively, then the Franchise Tax Board shall establish, within 60 days after the close of the applicable six-month period, an adjusted rate of interest equal to that adjusted prime rate.

(2) Any adjusted rate of interest established under paragraph (1) shall become effective—



(A) On January 1 of the succeeding year in the case of an adjustment attributable to subparagraph (A) of paragraph (1).

(B) On July 1 of the same year in the case of an adjustment attributable to subparagraph (B) of paragraph (1).

(3) For the period from the effective date of this section to December 31, 1982, inclusive, the adjusted rate of interest for the purpose of subdivision (a) shall be 18 percent per annum.

(4) For the period beginning March 1, 1983, until June 30, 1983, inclusive, the adjusted rate of interest for the purpose of subdivision (a) shall be 16 percent per annum.

(c) For purposes of subdivision (b), the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System.

(d) (1) For purposes of this part, Part 11 (commencing with Section 23001), and any other provision of law referencing this method of computation, in computing the amount of any interest required to be paid by the state or by the taxpayer, or any other amount determined by reference to that amount of interest, that interest and that amount shall be compounded daily.

(2) Paragraph (1) shall not apply for purposes of computing the amount of any addition to tax under Section 18685.05 or 25951.

(3) This subdivision shall apply to interest accruing after June 30, 1983.

As of June 30, 1983, all taxes, assessed penalties, or additions to tax, and interest (whether or not assessed) shall be added together to determine the amount to be carried over on which daily interest shall be charged in accordance with this subdivision.

SEC. 89. Section 23601 of the Revenue and Taxation Code is amended to read:

23601. (a) (1) There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the tax on preference income), an amount equal to the amount determined in paragraph (2), (3), or (6).

(2) Except as provided in subparagraph (D) of this paragraph and paragraphs (3) and (6), the amount of the credit allowed by this section shall be 55 percent of the cost (as defined in paragraph (8)) incurred by the taxpayer for any solar energy system installed on premises in California which are owned by the taxpayer at the time of installation. For any such solar energy system installed on or after August 1, 1983, the percentage specified by this paragraph, subparagraph (C), paragraph (6) (A), and subdivision (e) shall be 50 percent. Such credit shall not exceed three thousand dollars (\$3,000) per solar energy system as defined in paragraph (5) of subdivision (f).

(A) The owner of the premises on which the solar energy system is installed may claim the tax credit for costs incurred; however, an owner-builder or owner-developer of new dwellings may elect not to claim the solar energy tax credit for any or all systems installed on

new dwellings. If an owner-builder or owner-developer irrevocably elects not to claim the tax credit for a solar energy system, the original purchaser of the new dwelling on which the system is installed may claim the credit provided that the purchaser can confirm the election by a written document signed by the owner-builder or owner-developer.

(B) The solar energy tax credit shall be claimed in the state return for the income year in which the solar energy system was installed; however, if an owner-builder or owner-developer irrevocably elects not to claim the tax credit for a solar energy system, the original purchaser of the new dwelling on which the system is installed may claim the credit in the year during which the purchaser's escrow closed or the year during which the purchaser acquired legal title to the dwelling.

(C) A taxpayer who claimed the solar energy tax credit in the state income tax return for the income year in which the solar energy system was installed, may claim the credit in subsequent years for additions to the system or additional systems on the basis of the formula in this paragraph, so long as the total amount of the credit claimed under the 55 percent formula, does not exceed three thousand dollars (\$3,000).

(D) With regard to recreational or therapeutic solar energy water heating systems, the amount of the credit allowed by this section shall be 45 percent of the cost (as defined in paragraph (8)) of the system for systems installed between January 1, 1981, and December 31, 1981, 35 percent of the cost of the system for systems installed between January 1, 1982, and December 31, 1982, and 25 percent of the cost of the systems installed after January 1, 1983, and before August 1, 1983. Such credit shall not exceed three thousand dollars (\$3,000). No credit shall be allowed pursuant to this section with regard to recreational or therapeutic solar energy water heating systems installed on or after August 1, 1983.

(3) With regard to premises in California which are owned by the taxpayer, other than a dwelling, on which the cost (as defined in paragraph (8)) of the system exceeds twelve thousand dollars (\$12,000), the amount of the credit allowed by this section shall be 25 percent of the cost of the solar energy system.

A taxpayer, who claimed the solar energy tax credit on the state income tax return for the income year in which the solar energy system was installed, may claim the credit in subsequent years for additions to the system or additional systems by the amount prescribed by this paragraph.

(4) If a solar energy system serves two or more dwellings, the owner or owners of the dwellings shall be eligible to receive the credit in proportion to the number of dwelling units served. The amount of the credit shall be determined by dividing the cost (as defined in paragraph (8)) of the solar energy system by the number of dwelling units served by the system, and applying the formula described in paragraph (2) or (6) to the per dwelling cost.

(5) Energy conservation measures applied in conjunction with solar energy systems to reduce the total cost or backup energy requirements of such systems shall be considered part of the systems, and shall be eligible for the tax credit. Qualified energy conservation measures installed within six months of the date of installation of the solar energy system are considered to be installed "in conjunction with" the solar energy system, even if the period spans two taxable years. In cases involving more than six months between the dates of installation of the energy conservation measures and the solar energy system, the taxpayer must be able to provide persuasive evidence that the energy conservation measures were in fact installed in conjunction with a solar energy system. Eligible conservation measures applied in conjunction with solar space heating shall include, but not be limited to, ceiling, wall, and floor insulation above that required by law at the time of original construction. Eligible conservation measures applied in conjunction with solar water heating shall include, but not be limited to, water heater insulation jackets, and shower and faucet flow reducing devices. Energy conservation measures which shall be eligible for the tax credit when applied in conjunction with solar energy systems shall be defined by the Energy Resources Conservation and Development Commission as part of the solar energy system eligibility criteria.

(6) Taxpayers who partially own and partially lease on premises in California a solar energy system from a municipal utility or any lessor granted a permit from a municipal solar utility established by ordinance of the local jurisdiction prior to January 1, 1983 shall receive a tax credit as provided in subparagraph (A) or (B).

(A) Except as provided in subparagraph (B), the credit shall equal 55 percent of the cost (as defined in paragraph (8)) of the purchased portion, and 55 percent of the principal recovery portion (as defined in paragraph (8)) of the lease payments for the first three years of operation or until the solar energy tax credit terminates, whichever occurs first. That credit shall not exceed three thousand dollars (\$3,000) for each system. For any solar energy system installed on or after August 1, 1983, the percentage specified by this subparagraph shall be 50 percent.

(B) In the case of premises, other than dwellings, on which the cost (as defined in paragraph (8)) incurred by the lessor exceeds twelve thousand dollars (\$12,000), the credit shall equal 25 percent of the cost (as defined in paragraph (8)) of the purchased portion and 25 percent of the principal recovery portion (as defined in paragraph (8)) of the lease payments for the first three years of operation or until the solar energy tax credit terminates, whichever occurs first.

(7) For purposes of computing the credit provided by this section, the cost of any solar energy system eligible for the credit provided by this section shall be reduced by any grant provided by a public entity for such system.

(8) For the purposes of computing the credit provided by this

section, "cost" shall include installation charges, but shall exclude interest charges. In the case of a system which is leased, "cost" shall mean the principal recovery portion of monthly lease payments. "Principal recovery portion" means the cost incurred by the lessor in acquiring the solar energy system, but does not include interest charges, sales taxes, or maintenance expenses.

(b) The basis of any system for which a credit is allowed shall be reduced by the amount of the credit and grant provided by a utility or public entity for such solar energy system. The basis adjustment shall be made for the income year for which the credit is allowed.

In the case of a partnership, the solar energy tax credit may be divided between the partners pursuant to a written partnership agreement.

(c) In the case where the credit allowed under this section exceeds the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) for the income year, that portion of the credit which exceeds such taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) in succeeding income years until such credit is used. The credit shall be applied first to the earliest years possible. With regard to solar energy systems installed between August 1, 1983, and December 31, 1983, no more than 50 percent of the allowable credits under this section shall be applied against the taxpayer's "net tax" for the 1983 income year. The remaining portion of the credit shall be carried over to succeeding income years until such credit is used.

(d) The Energy Resources Conservation and Development Commission shall, after one or more public hearings, establish guidelines and criteria for solar energy systems which shall be eligible for the credit provided by this section. Such guidelines and criteria may include, but shall not be limited to, minimum requirements for safety, reliability and durability of solar energy systems. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(e) If federal income tax credit is enacted for costs incurred by a taxpayer for the purchase and installation of solar energy systems, then to the extent such credit is allowed or allowable for a solar energy system as defined in this section, the state credit provided in paragraph (2) of subdivision (a) and subparagraph (A) of paragraph (6) shall be reduced so that the combined effective credit shall not exceed 55 percent of such costs, notwithstanding the carryover provisions of subdivision (c). For any solar energy system installed on or after August 1, 1983, the percentage specified by this subdivision shall be 50 percent.

(f) The following definitions govern construction of this section:

(1) "Installed" means placed in position in a functionally operative state.

(2) "Owner" includes duly recorded holders of legal title, lessees with at least three years remaining on their lease, a person

purchasing premises under a contract of sale, or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy to the premises, a person who is a member of a nonprofit corporation or association which is a duly recorded holder of legal title, or a person who is a member of a nonprofit corporation or association which is a lessee with at least three years remaining on its lease.

(3) "Premises" means the principal stationary location in California where the installed system is to be used and includes land, buildings or portions thereof, or mobilehomes.

(4) "Dwelling" means a building used for residential purposes, and includes single-family residences, mobilehomes, and individual units of apartments, condominiums, cooperatives, or other similar multiple dwellings.

(5) (A) "Solar energy system" means the use of solar devices for the individual function of:

- (i) Domestic, recreational, therapeutic, or service water heating;
- (ii) Space conditioning;
- (iii) Production of electricity;
- (iv) Process heat;
- (v) Solar mechanical energy; and
- (vi) Wind energy for the production of electricity or mechanical work.

The term "solar energy system" shall include, but is not limited to, passive thermal systems, semipassive thermal systems, active thermal systems, photovoltaic systems and wind-driven systems.

(B) Eligible solar energy systems shall have a useful life of not less than three years.

(6) "Solar device" means the equipment associated with the collection, transfer, distribution, storage or control of solar energy. In the case of a solar device associated with two or more solar energy systems, the credit allowed for the solar device may be taken for any one of the systems, or divided equally between them.

(7) "Passive thermal system" means a system which utilizes the structural elements of the building, and is not augmented by mechanical components, to provide for collection, storage, or distribution of solar energy for heating or cooling.

(8) "Active thermal system" means a system which utilizes solar devices thermally isolated from the living space to provide for collection, storage, or distribution of solar energy for heating or cooling.

(9) "Semipassive thermal system" means a system which utilizes the structure of a building and is augmented by mechanical components to provide for collection, storage, or distribution of solar energy for heating or cooling.

(g) In lieu of claiming the tax credit provided by this section, the taxpayer may elect to take a depreciation pursuant to Section 24349. Also, the taxpayer may take depreciation pursuant to that section for the cost of a solar energy system in excess of the amount of the tax

credit claimed under this section.

(h) No tax credit may be claimed under this section for any expenditures which have been otherwise claimed as a tax credit for the current or any prior taxable year as energy conservation measures under this part.

(i) No credit shall be allowed under this section if the amount would (but for this subdivision) be less than ten dollars (\$10).

(j) Any order of the Public Utilities Commission requiring the implementation of programs to demonstrate or evaluate methods of financing solar water heating devices shall evaluate, among other matters, whether some methods of financing may accelerate utilization of such devices more rapidly than tax credits alone.

(k) This section shall remain in effect only until January 1, 1987, and on that date is repealed, unless a later enacted statute, which is chaptered before this date, deletes or extends the date. However, any unused credit may be used beyond that date on the same basis and to the same extent as permitted under the law immediately prior to January 1, 1987.

SEC. 90. Section 23601.5 of the Revenue and Taxation Code is amended to read:

23601.5. (a) (1) There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the tax on preference income), an amount equal to the amount determined in paragraph (2), (3), or (5).

(2) Except as provided in paragraphs (3) and (5), the amount of the credit allowed by this section shall be 40 percent of the cost (as defined in paragraph (7)) incurred by the taxpayer for energy conservation measures installed on premises in California which are owned by the taxpayer at the time of installation. For energy conservation measures which are installed on or after August 1, 1983, the percentage specified in the preceding sentence shall be 35 percent (in lieu of 40 percent). The credit shall not exceed one thousand five hundred dollars (\$1,500) for each premises. The owner of the premises on which the energy conservation measures are installed may claim the tax credit for costs incurred; however, an owner-builder or owner-developer of new dwellings may elect not to claim the energy conservation tax credit for any or all measures installed on new dwellings. If an owner-builder or owner-developer irrevocably elects not to claim the tax credit for energy conservation measures, the original purchaser of the new dwelling on which the measures are installed may claim the credit, provided that the purchaser can confirm the election by a written document signed by the owner-builder or owner-developer.

The energy conservation tax credit shall be claimed in the state return for the income year in which the energy conservation measures were installed; however, if an owner-builder or owner-developer irrevocably elects not to claim the tax credit for energy conservation measures, the original purchaser of the new dwelling on which the measures are installed may claim the credit

in the year during which the purchaser's escrow closed or the year during which the purchaser acquired legal title to the dwelling.

A taxpayer who claimed the energy conservation tax credit in the state income tax return for the year in which the energy conservation measures were installed, may in any subsequent year claim energy conservation measures installed in that year.

(3) With regard to premises in California which are owned by the taxpayer, other than a dwelling, on which the cost of the measures (as defined in paragraph (7)) exceeds six thousand dollars (\$6,000), the amount of the credit allowed by this section shall be 25 percent of the cost (as defined in paragraph (7)) of the energy conservation measure.

(4) If energy conservation measures serve two or more dwelling units, the owner or owners of the dwellings shall be eligible to receive the credit in proportion to the number of dwelling units served. The amount of the credit shall be determined by dividing the cost (as defined in paragraph (7)) of the energy conservation measures by the number of dwelling units served by the measures, and applying the formula described in paragraph (2) or (5) to the per dwelling cost.

(5) Taxpayers who partially own and partially lease on premises in California energy conservation measures from a utility or other lessor shall receive a tax credit as provided in subparagraph (A) or (B).

(A) Except as provided in subparagraph (B), the credit provided by this paragraph shall equal 40 percent of the cost (as defined in paragraph (7)) of the purchased portion and 40 percent of the principal recovery portion (as defined in paragraph (7)) of the lease payments for the first three years of operation or until the energy conservation tax credit terminates, whichever occurs first. Such credit shall not exceed one thousand five hundred dollars (\$1,500) for each premises.

(B) In the case of premises, other than dwellings, on which the cost (as defined in paragraph (7)) incurred by the lessor exceeds six thousand dollars (\$6,000), the credit provided by this paragraph shall equal 25 percent of the cost (as defined in paragraph (7)) of the purchased portion and 25 percent of the principal recovery portion (as defined in paragraph (7)) of the lease payments for the first three years of operation or until the energy conservation tax credit terminates, whichever occurs first.

(6) For purposes of computing the credit provided by this section and the basis of the property, the cost of any energy conservation measure eligible for the credit provided by this section shall be reduced by the amount of any grant or any nonreimbursable financial assistance (other than interest charges) provided by a utility or a public entity.

(7) For the purposes of computing the credit provided by this section, "cost" shall include installation charges, but shall exclude interest charges. In the case of measures which are leased, "cost"

shall mean the principal recovery portion of monthly lease payments. "Principal recovery portion" means the cost incurred by the lessor in acquiring the energy conservation measures but does not include interest charges, sales taxes, or maintenance expenses.

(b) The basis of any system for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the income year for which the credit is allowed.

In the case of a partnership, the energy conservation tax credit may be divided between the partners pursuant to a written partnership agreement.

(c) In the case where the credit allowed under this section exceeds the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) for the income year, that portion of the credit which exceeds such taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) in succeeding income years, with respect to which this section shall remain in effect for purposes of carrying over excess credit until such credit is used. The credit shall be applied first to the earliest years possible. With regard to energy conservation measures installed between August 1, 1983, and December 31, 1983, no more than 50 percent of the allowable credits under this section shall be applied against the taxpayers "net tax" for the 1983 income year. The remaining portion of the credit shall be carried over to succeeding income years until such credit is used.

(d) The Energy Resources Conservation and Development Commission shall, after one or more public hearings, adopt regulations which establish minimum standards which any item of a generic category of energy conservation measure, as defined by this section, must meet to be eligible for an energy conservation tax credit. Such standards shall include minimum provisions for effectiveness, safety and consumer protection which are consistent with standards established pursuant to the National Energy Conservation Policy Act and other applicable federal and state law. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section. Regulations adopted by the Energy Resources Conservation and Development Commission and the Franchise Tax Board, pursuant to this section, shall be in language which is easily understood by the general public.

(e) (1) If a federal income tax credit is enacted for costs incurred by a taxpayer for the purchase and installation of energy conservation measures in dwelling units, then to the extent such credit is allowed or allowable for an energy conservation measure as defined in this section, the state credit provided in paragraph (2) of subdivision (a) shall be reduced so that the combined effective credit shall not exceed either 40 percent or 35 percent, as provided in paragraph (2) of subdivision (a), of such costs, notwithstanding the carryover provisions of subdivision (c).

(2) If a federal income tax credit is enacted for costs incurred by



a taxpayer for the purchase and installation of energy conservation measures in other than dwelling units, then to the extent such credit is allowed or allowable for an energy conservation measure as defined in this section, the state credit provided in paragraphs (2) and (3) of subdivision (a) shall be reduced by the amount of such federal credit.

(f) The following definitions govern construction of this section:

(1) "Installed" means placed in position in a functionally operative state.

(2) "Owner" includes duly recorded holders of legal title, lessees with at least three years remaining on their lease, a person purchasing premises under a contract of sale, or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy to the premises, a person who is a member of a nonprofit corporation or association which is a duly recorded holder of legal title, or a person who is a member of a nonprofit corporation or association which is a lessee with at least three years remaining on its lease.

(3) "Premises" means land, buildings, or mobilehomes.

(4) "Dwelling" means a building used for residential purposes, and includes single-family residences, mobilehomes and individual units of apartments, condominiums, cooperatives, or other similar multiple dwellings.

(5) "Energy conservation measure" means any item with a useful life of not less than three years of one of the following generic categories which meets the minimum standards as specified pursuant to subdivision (d):

(A) Ceiling insulation.

(B) Weatherstripping of all doors and windows which lead to unheated or uncooled areas so as to effectively and reliably limit air infiltration.

(C) An external water heater insulation blanket.

(D) Low flow devices on all accessible shower heads.

(E) Caulking or sealing of all major cracks and joints and other openings in building exteriors to reduce the loss of heated or cooled air or the entry of outside air where feasible, and sealing of wall outlets.

(F) Insulation of all accessible supply and return heating and cooling system ducts and plenums which are located in unheated or uncooled areas and sealing of all duct and plenum joints with pressure-sensitive tape or mastic.

(G) Covers for swimming pools or hot tubs which transmit the sun's radiation energy into the water or reduce heat loss or water evaporation.

(H) For existing dwellings, such other measures or devices as may be designated "residential energy conservation measures" approved and adopted as part of an appropriate operational Residential Conservation Service Plan pursuant to the provisions of Section 210 of Title II of the National Energy Conservation Policy Act and

recommended as the result of an audit conducted under the auspices of such a plan. This generic category includes, but is not limited to:

- (i) Electrical or mechanical furnace ignition systems which replace gas pilot lights;
- (ii) Devices modifying the openings of heating and cooling systems which achieve increased efficiency;
- (iii) Storm or thermal windows or doors for the exterior of dwellings, ventilation cooling, heat absorbing or heat reflective glazed windows and door materials, exterior shading devices, and movable insulation such as shutters or thermal drapes, which substantially reduce the energy needed for space heating and cooling;
- (iv) Heat pumps and water heating heat pumps (including those which use air, water or earth as a source or sink of heat) which replace electric resistance heaters, or are used in conjunction with a solar energy system;
- (v) Load management devices to reduce the direct or indirect use of electricity through interruption, storage or load limiting;
- (vi) Insulation for floors and walls.

(I) For existing dwellings before there is an operational Residential Conservation Service (RCS) Plan certified in accordance with this section or in regions where such a plan does not provide energy audits, and for premises, other than dwellings:

- (i) Electrical or mechanical furnace ignition systems which replace gas pilot lights;
- (ii) Devices modifying the openings of restaurant food preparation appliances or heating and cooling systems so as to achieve increased energy efficiency;
- (iii) Storm or thermal windows or doors for the exterior of dwellings, ventilation cooling, heat absorbing or heat reflective glazed windows and door materials, exterior shading devices, and movable insulation such as shutters or thermal drapes which substantially reduce the energy needed for space heating and cooling, and glazing materials (other than doors and windows), controls or automatic switching devices for effective use of natural light to replace electric interior lighting which result in a net energy savings.
- (iv) Heat pumps and water heating heat pumps (including those which use air, water or earth as a source or sink of heat) which replace electric resistance heaters, or are used in conjunction with a solar energy system.
- (v) Load management devices to reduce the direct or indirect use of electricity through interruption, storage or load limiting.
- (vi) Insulation of floors and walls.

(J) For newly constructed dwellings:

- (i) Storm or thermal windows or doors for the exterior of dwellings.
- (ii) Ventilation cooling.
- (iii) Heat absorbing or heat reflective glazed windows and door

materials.

- (iv) Exterior shading devices.
- (v) Movable insulation such as shutters or thermal drapes.
- (vi) Load management devices.
- (vii) Insulation of floors and walls.
- (viii) Water heating heat pumps which replace electric resistance water heaters.

Energy conservation measures in the generic categories of subparagraphs (A), (B), (C), (D), (E), and (F) installed in multifamily dwelling units shall be ineligible as energy conservation measures and shall have no force or effect in the computation of taxes for income years which begin after December 31, 1985.

Energy conservation measures in the generic categories of subparagraphs (H), (I), and (J) shall be ineligible as energy conservation measures and shall have no force or effect in the computation of taxes for income years which begin after December 31, 1985.

(6) The energy conservation tax credit provided by this section shall also apply to the cost of conducting energy audits and engineering feasibility studies resulting therefrom.

(7) "Operational Residential Conservation Service Plan" means a Residential Conservation Service (RCS) Plan, developed pursuant to the provisions of Section 210 of Title II of the National Energy Conservation Policy Act (92 Stat. 3206), and which provides energy audits for measures identified in this section in accordance with the requirements of such a RCS Plan. The Energy Resources Conservation and Development Commission shall, after at least one public hearing, certify when participating utilities identified in the California Plan for the Residential Conservation Service dated January, 1981, have operational RCS Plans. In the case of a publicly owned utility, a Residential Conservation Service Plan developed pursuant to the provisions of Section 210 of Title II of the National Energy Conservation Policy Act (92 Stat. 3206), shall be certified by the governing board of the publicly owned utility to be operational. Certification that a plan is operational by the commission or the governing board of a publicly owned utility shall occur only after a finding is made that audits are available to utility customers within the time specified in the appropriate approved plan.

(g) In lieu of claiming the tax credit provided by this section, the taxpayer may elect to take depreciation pursuant to Section 24349.7. In addition, the taxpayer may take depreciation pursuant to that section for the cost of an energy conservation measure in excess of the amount of the tax credit claimed under this section.

(h) No tax credit may be claimed under this section for any expenditures which have been otherwise claimed as a tax credit for the income year in which the energy conservation measure was installed or any prior income year.

(i) No credit shall be allowed under this section if the amount would (but for this subdivision) be less than ten dollars (\$10).

(j) (1) Except as provided in paragraph (2) of this subdivision, the tax credit provided by this section shall not apply to any energy conservation measure required by state laws and regulations pursuant thereto, at the time of installation.

(2) Notwithstanding the provisions of paragraph (1), a credit shall be allowed for energy conservation measures specified in subparagraph (G) of paragraph (5) of subdivision (f).

SEC. 90.2. Section 23701 of the Revenue and Taxation Code is amended to read:

23701. Organizations which are organized and operated for nonprofit purposes within the provisions of a specific section of this article, or are subject to Section 23701m, are exempt from taxes imposed under this part, except as provided in this article or in Article 2 (commencing with Section 23731) of this chapter, if:

(a) An application for exemption is submitted in the form prescribed by the Franchise Tax Board; and

(b) A filing fee of twenty-five dollars (\$25) is paid with each application for exemption filed with the Franchise Tax Board after December 31, 1969; and

(c) The Franchise Tax Board issues a determination exempting the organization from tax.

This section shall not prevent a determination from having retroactive effect and does not prevent the issuance of a determination with respect to a domestic organization which was in existence prior to January 1, 1970, and exempt under prior law without the submission of a formal application or payment of a filing fee. For the purpose of this section, the term "domestic" means created or organized under the laws of this state.

The Franchise Tax Board may issue rulings and regulations as are necessary and reasonable to carry out the provisions of this article.

SEC. 90.3. Section 23772 of the Revenue and Taxation Code is amended to read:

23772. (a) For the purposes of this part—

(1) Except as provided in paragraph (2) every organization exempt from taxation under Section 23701 and every trust treated as a private foundation because of Section 4947(a)(1) of the Internal Revenue Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the laws under this part as the Franchise Tax Board may by rules or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Franchise Tax Board may from time to time prescribe. The return shall be filed on or before the 15th day of the fifth full calendar month following the close of the income year.

(2) Exceptions from filing—

(A) Mandatory exceptions—Paragraph (1) shall not apply to—

(i) Churches, their integrated auxiliaries, and conventions or association of churches,

(ii) Any organization (other than a private foundation as defined in Section 23709), the gross receipts of which in each taxable year are normally not more than ten thousand dollars (\$10,000), or

(iii) The exclusively religious activities of any religious order,

(B) Discretionary exceptions—The Franchise Tax Board may permit the filing of a simplified return for organizations based on either gross receipts or total assets or both gross receipts and total assets, or may permit the filing of an information statement (without fee), or may permit the filing of a group return for incorporated or unincorporated branches of a state or national organization where it determines that an information return is not necessary to the efficient administration of this part.

(3) An organization that is required to file an annual information return shall pay a filing fee of ten dollars (\$10) on or before the due date for filing the annual information return (determined with regard to any extension of time for filing the return) required by this section. In case of failure to pay the fee on or before such due date unless it is shown that such failure is due to reasonable cause, the filing fee shall be twenty-five dollars (\$25). All collection remedies provided in Chapter 23 (commencing with Section 26131) of this part shall be applicable to collection of the filing fee. However, the filing fee shall not apply to the organization described in paragraph (4).

(4) Paragraph (3) shall not apply to: (A) a religious organization exempt under Section 23701d; (B) an educational organization exempt under Section 23701d, if such organization normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on; (C) a charitable organization, or an organization for the prevention of cruelty to children or animals, exempt under Section 23701d, if such organization is supported, in whole or in part, by funds contributed by the United States or any state or political subdivision thereof, or is primarily supported by contributions of the general public; (D) an organization exempt under Section 23701d, if such organization is operated, supervised, or controlled by or in connection with a religious organization described in subparagraph (A).

(b) Every organization described in Section 23701d which is subject to the requirements of subdivision (a) shall furnish annually information, at such time and in such manner as the Franchise Tax Board may by rules or regulations prescribe, setting forth—

(1) Its gross income for the year,

(2) Its expenses attributable to such income and incurred within the year,

(3) Its disbursements within the year for the purposes for which it is exempt,

(4) A balance sheet showing its assets, liabilities, and net worth as of the beginning of such year,

(5) The total of the contributions and gifts received by it during

the year, and the names and addresses of all substantial contributors,

(6) The names and addresses of its foundation manager (within the meaning of Section 4946 of the Internal Revenue Code) and highly compensated employees,

(7) The compensation and other payments made during the year to each individual described in paragraph (6), and

(8) In the case of an organization with respect to which an election under Section 23704.5 is effective for the taxable year, the following amounts for such organization for such taxable year:

(A) The lobbying expenditures (as defined in Section 23704(c)(1)).

(B) The lobbying nontaxable amount (as defined in Section 23740(c)(2)).

(C) The grassroots expenditures (as defined in Section 23740(c)(3)).

(D) The grassroots nontaxable amount (as defined in Section 23740(c)(4)). For purposes of this paragraph, if Section 23740(f) applies to the organization for the taxable year, such organization shall furnish the amounts with respect to the affiliated group as well as with respect to such organization.

(c) In addition to the above annual return any organization which is required to file an annual report under Section 6056 of the Internal Revenue Code will furnish a copy of the report to the Franchise Tax Board at the time the annual return is due.

(d) For the purposes of this part—

(1) In the case of a failure to file a return required under Section 23772 (relating to returns by exempt organizations) on the date and in the manner prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause, there shall be paid (on notice and demand by the Franchise Tax Board and in the same manner as tax) by the exempt organization or trust failing so to file, five dollars (\$5) for each month or part thereof during which such failure continues, but the total amount imposed hereunder on any organization for failure to file any return shall not exceed forty dollars (\$40).

(2) The Franchise Tax Board may make written demand upon a private foundation failing to file under paragraph (1) of this subdivision or subdivision (c) specifying therein a reasonable future date by which such filing shall be made, and if such filing is not made on or before such date, and unless it is shown that failure so to file is due to reasonable cause, there shall be paid (on notice and demand by the Franchise Tax Board and in the same manner as tax) by the person failing so to file, in addition to the penalty prescribed in paragraph (1), a penalty of five dollars (\$5) each month or part thereof after the expiration of the time specified in the written demand during which such failure continues, but the total amount imposed hereunder on all persons for such failure to file shall not exceed twenty-five dollars (\$25). If more than one person is liable under this paragraph for a failure to file, all such persons shall be

jointly and severally liable with respect to such failure. The term "person" as used herein means any officer, director, trustee, employee, member, or other individual who is under a duty to perform the act in respect of which the violation occurs.

(e) The reporting requirements and penalties shall be applicable for income years beginning after December 31, 1970, except that the provisions of subparagraph (B) of paragraph (2) of subdivision (a) shall apply to income years ending after December 31, 1970.

SEC. 93.5. Section 25904 of the Revenue and Taxation Code is repealed.

SEC. 93.7. Section 9614 is added to the Unemployment Insurance Code, to read:

9614. Notwithstanding any other provisions of law, the department shall annually issue the following reports:

(a) An evaluation of the Work Incentive program, Employment Preparation program, Supported Work program, California Welfare Skills Training Act, and the California Job Tax Credit program. This report shall be issued by February 1 of each year.

(b) An evaluation of the Job Agent program and the Service Center program. This report shall be issued by December 1 of each year.

(c) An evaluation of the Demonstration Project Training or Retraining Benefits program, the Regional Employment Assessment, Job Search Assistance, and Placement Services for Displaced Workers Act, and the Displaced Worker Education and Training Act program. This report shall be issued by November 1 of each year.

SEC. 93.75. Section 13021 of the Unemployment Insurance Code is amended to read:

13021. (a) Every employer required to withhold any tax under Section 13020 shall for each calendar quarter, whether or not wages are paid in the quarter, file a withholding return in a form prescribed by the department, and pay over the taxes so required to be withheld. Except as provided in subdivisions (b), (c), and (d) of this section, the employer shall file a withholding return and remit the total amount of income taxes withheld during the calendar quarter on or before the last day of the month following the close of the calendar quarter.

(b) The employer shall remit the total amount of income tax withheld during each first or second month of each calendar quarter, on or before the 16th day of the second calendar month or within three banking days of the 19th day of the third calendar month, respectively, if the income tax withheld for that month is more than three hundred fifty dollars (\$350).

(c) The employer shall remit the total amount of income tax withheld from the first through the 19th calendar day of the third month of each calendar quarter, within three banking days of the 19th day of the third month if the income tax withheld for that period is more than two hundred twenty-two dollars (\$222).

Notwithstanding Section 1112, no interest or penalties shall be assessed against any employer who remits at least 95 percent of the amount required by this subdivision provided that the failure is not willful and any remaining amount due is paid with the next payment.

(d) Notwithstanding subdivision (b) or (c), whenever for federal income tax purposes under Section 6302 of the Internal Revenue Code, and regulations adopted thereto, the employer is required to remit the total amount of income tax withheld within three banking days following the close of each eighth-monthly period (first through third day, fourth through seventh day, eighth through 11th day, 12th through 15th day, 16th through 19th day, 20th through 22nd day, 23rd through 25th day, and 26th through last day of month), the employer shall remit the total amount of income tax withheld for state income tax purposes for each eighth-monthly period within three banking days following the close of each eighth-monthly period. Notwithstanding Section 1112, no interest or penalties shall be assessed against any employer who remits at least 95 percent of the amount required by this subdivision provided that the failure is not willful and any remaining amount due is paid with the next payment. The director may allow any employer to submit the amounts due from multiple locations upon a showing of necessity in order to comply with the provisions of this subdivision.

(e) The department may, if it believes such action is necessary, require any employer to make the return required by this section and pay to it the tax deducted and withheld at any time, or from time to time but no less frequently than provided for in subdivision (a).

(f) For the purpose of this section, payment is deemed complete when it is placed in a properly addressed envelope, bearing the correct postage, and it is deposited in the United States mail.

(g) The amendment to this section made by the act adding this subdivision shall become operative on and after January 1, 1984.

SEC. 93.8. Section 5106 of the Vehicle Code is amended to read:

5106. (a) In addition to the regular registration fee, the applicant shall be charged a fee of thirty-five dollars (\$35).

(b) In addition to the regular renewal fee, for the vehicle to which the plates are assigned, the applicant for a renewal of the plates shall be charged an additional fee of twenty dollars (\$20), except that applicants for prisoner of war special license plates pursuant to Section 5101.5 shall not be charged this additional fee.

(c) Notwithstanding subdivision (b), when payment of renewal fees is not required as specified in Section 4000, the holder of any environmental license plate may retain the plate upon payment of an annual fee of twenty dollars (\$20). The fee shall be due at the expiration of the registration year of the vehicle to which the environmental license plate was last assigned.

(d) Notwithstanding Section 9265, the applicant for a duplicate environmental license plate shall be charged a fee of thirty dollars (\$30).

SEC. 93.9. Section 12938.2 is added to the Water Code, to read.



12938.2. The Department of Finance shall identify in the annual Governor's Budget the proposed revenues and expenditures for the four purposes identified in subdivision (b) of Section 12937. The data shall be organized on a fiscal year basis and shall include (1) an estimate of total revenues for the four purposes by revenue source, and (2) a detailed statement of expenditures for the past, current, and future fiscal years.

SEC. 94. Section 303.1 of the Welfare and Institutions Code is amended to read:

303.1. The State Department of Social Services shall prepare and distribute a final evaluation report on the California Family Protection Act program not later than June 30, 1983. This report shall collect the information concerning foster care described in Section 303 in the demonstration counties and in other similar nondemonstration counties in order to compare the counties and determine the effectiveness of the program compared to the programs in other counties. The department shall also determine the savings accrued by the federal, state, and local governments due to the implementation of this act. The report shall also evaluate the level of recidivism for clients of the Family Protection Act program, and the effectiveness of the permanent planning element.

SEC. 97.5. Section 4023 is added to the Welfare and Institutions Code, to read:

4023. Notwithstanding any other provision of law, the sum of one million dollars (\$1,000,000) is hereby reappropriated from any unencumbered balance of the funds appropriated by Item 4440-101-001 of the Budget Act of 1982, for the purpose of funding a mental health program in private industry to provide counseling to displaced workers.

This section shall become operative only if Senate Bill no. 939 of the 1983-84 Regular Session becomes law.

SEC. 109.5. Section 5705.1 of the Welfare and Institutions Code is amended to read:

5705.1. (a) The Director of Mental Health shall establish, by regulation, rates and methods of reimbursement based on provider-specific costs for local mental health services specified in the approved county Short-Doyle plans.

(b) In establishing rates, no rate shall exceed the lower of each individual provider's actual cost or 125 percent of the statewide weighted average of the cost of services provided in accordance with the approved county Short-Doyle plans as reflected in the most recently completed cost reports. This shall not prohibit the adjustment of the rates for cost-of-living increases appropriated by the Legislature. This subdivision shall not apply to prepaid health plans.

(c) The Director of Mental Health, subject to the availability of funds, may approve a waiver of the 125 percent limitation set forth in subdivision (b) requested by the board of supervisors of a county if the county demonstrates that the imposition of the 125 percent

limitation will result in a substantial inability to provide mental health services. The Department shall report annually to the Legislature as to the factors justifying waivers granted by it.

(d) Notwithstanding the provisions of this section, in the event that a health facility has entered into a negotiated rate agreement pursuant to Article 2.6 (commencing with Section 14081) of Chapter 7 of Part 4 of Division 9, the facility's rates shall be governed by such agreement.

(e) The State Department of Mental Health shall promulgate regulations implementing the provisions of this article. The Director of the State Department of Mental Health shall adopt all regulations pursuant to subdivision (a) as emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. These regulations shall not be subject to the review and approval of the Office of Administrative Law; shall not be subject to approval by the California Conference of Local Mental Health Directors; shall not be subject to automatic repeal until 180 days after the regulations take effect; and shall become effective immediately upon filing with the Secretary of State.

(f) Notwithstanding any other provision of law, the department may, in fiscal year 1982-83, make monthly payments to the counties for services specified in the approved county Short-Doyle plan. However, these payments shall be adjusted at the end of the fiscal year on the basis of year-end cost reports to reflect the amount reimbursable pursuant to this section.

SEC. 109.8. Section 10606 of the Welfare and Institutions Code is amended to read:

10606. The department shall cause to be published and made available, at no cost to the public, all of its rules and regulations relating to:

(a) The government of the department.

(b) Any form of public assistance for which state aid is granted to the counties or over the administration of which the department has supervision.

The department shall also provide at no cost such subscription service as may be necessary to assure prompt receipt of all additions and amendments to the rules and regulations of the department and digests of decisions compiled under Section 10964.

SEC. 111. Section 11315 of the Welfare and Institutions Code is repealed.

SEC. 112. Article 3.1 (commencing with Section 11315) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.1. State-only AFDC-U Program

11315. (a) The Department of Social Services shall establish a state-only unemployed parent program for those parents meeting the conditions of eligibility set forth in subdivision (b) of Section 11201. This program shall be known as the "State-only AFDC-U program." Eligibility under this program shall be limited to three months in any 12 consecutive months, except that for those families who receive aid pursuant to Section 11250.5, eligibility under this program shall be limited to two months in any 12 consecutive months.

(b) Families who receive payment under subdivision (b) of Section 11201 for June 1982, if otherwise eligible, shall be qualified for three months of aid commencing on July 1, 1982. Notwithstanding the provisions of Section 11455, families who enter the program on or after July 1, 1982, shall be eligible for aid as provided in subdivision (a) commencing on the beginning date of aid.

(c) For the purposes of this section, if neither parent has a connection to the labor force, as defined by federal law, the family may designate the primary wage earner.

SEC. 112.5. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) For each needy family which includes one or more needy children, not to include unborn children, qualified for aid under this chapter, there shall be paid, notwithstanding minimum basic standards of adequate care established by the department under Section 11452, an amount of aid each month which when added to his income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, is equal to the sums specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453:

<i>Number of eligible needy persons in the same home</i>	<i>Maximum aid</i>
1 .....	\$ 258
2 .....	424
3 .....	526
4 .....	625
5 .....	713
6 .....	802
7 .....	880
8 .....	959
9 .....	1,036
10 or more .....	1,114

If, when and during such times as the United States government increases or decreases its contributions in assistance of needy

children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to such increase or decrease by the United States government, provided that no such increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother in the amount which would otherwise be paid to one person as specified in subdivision (a) from the date of verification of pregnancy if the mother, and child if born, would have qualified for aid under this chapter.

(c) The amount of seventy dollars (\$70) per month shall be paid to pregnant mothers qualified for aid under subdivisions (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If such payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under the provisions of this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which when added to the child's income is equal to the rate specified in Section 11461, 11462, 11462.1, 11462.5, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) (1) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. Such recurring special needs shall include but not be limited to special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(2) A family shall also be entitled to receive an allowance for nonrecurring special needs caused by sudden and unusual circumstances beyond the control of the needy family; provided, however, that such needs shall not be taken into consideration in determining the eligibility of the family for aid.

(3) The department shall establish rules and regulations assuring

the uniform application statewide of the provisions of this subdivision.

(f) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a) of this section.

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

SEC. 113. Section 11452 of the Welfare and Institutions Code is amended to read:

11452. Minimum basic standards of adequate care shall be distributed to the counties and shall be binding upon them. The standards are determined on the basis of the schedule set forth in this section, as adjusted for cost-of-living increases or decreases pursuant to Section 11453, which schedule is designed to insure:

(1) Safe, healthful housing.

(2) Minimum clothing for health and decency.

(3) Low-cost adequate food budget meeting recommended dietary allowances of the National Research Council.

(4) Utilities.

(5) Other items including household operation, education and incidentals, recreation, personal needs, and insurance.

(6) Allowance for essential medical, dental, or other remedial care to the extent not otherwise provided at public expense.

The schedule of minimum basic standards of adequate care is as follows:

Number of needy persons in the same family	Minimum basic standards of adequate care
1.....	\$ 258
2.....	424
3.....	526
4.....	625
5.....	713
6.....	802
7.....	880
8.....	959
9.....	1,040
10.....	1,130

plus nine dollars (\$9) for each additional needy person.

The department shall establish rules and regulations assuring the uniform application statewide of the provisions of this section.

SEC. 114. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. The amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living occurring after December 1982, so that the first such adjustment becomes effective

July 1, 1984, and subsequent adjustments shall take effect each July 1 thereafter. The cost of living adjustment shall be calculated by the Commission on State Finance based on the changes in the California Necessities Index, which as used in this section means the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(a) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food .....	\$1,832
Clothing (Apparel and Upkeep) .....	298
Fuel and other utilities .....	264
Rent, residential .....	2,303
Transportation .....	1,026
<hr/>	
Total .....	\$5,723

(b) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(c) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(d) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable weighted percentage change as determined in subdivision (b) and (2) dividing the sum by 100.

(e) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in subdivision (d).

(f) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in subdivision (d) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

The overall adjustment factor determined by the preceding computation steps shall be multiplied by the schedules established pursuant to Section 11452 and subdivision (a) of Section 11450 as are in effect during the month of June preceding the fiscal year in which the adjustments are to occur and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules which shall be filed with the Secretary of State.

SEC. 114.2. Section 11460 of the Welfare and Institutions Code is amended to read:

11460. (a) It is the intent of the Legislature that foster care providers shall be paid a rate determined in accordance with Section 11461, 11462, 11462.1, or 11463 in return for the care and supervision of the AFDC-FC child placed with them.

(b) The department is designated the single organizational unit whose duty it shall be to administer a state system for establishing rates in the AFDC-FC program. State functions shall be performed by the department or by delegation of the department to county welfare departments.

SEC. 115.3. Section 11461 of the Welfare and Institutions Code is amended to read:

11461. (a) For children placed in a licensed or approved family home with a capacity of six or less, or in an approved home of a relative or nonrelated legal guardian, the rates in the following table shall be in effect, beginning July 1, 1982, subject to the availability of funds:

Age	Basic rate
0-4 .....	\$ 269
5-8 .....	292
9-11 .....	312
12-14 .....	346
15-20 .....	377

In the event sufficient funds are not available to implement these rates, the department shall determine the amounts by which county basic rates below these levels shall be raised.

(b) Effective July 1, 1983, the amounts in the above table shall be adjusted annually for cost-of-living increases or decreases in accordance with the procedures in Section 11453, subject to the availability of funds.

(c) (1) Any county that, as of June 30, 1982, has in effect a basic rate that is at or below the levels set forth in subdivision (a) shall receive state participation in the new level.

(2) Any county that, as of June 30, 1982, has in effect a basic rate that exceeds the new levels in subdivision (a) shall receive increases in state participation of up to 70 percent of the cost-of-living increases provided in accordance with Section 11453, during the first year that such cost-of-living increases are provided. In each subsequent year, such counties shall receive increases in state

participation of up to one-half of the cost-of-living increases provided in accordance with Section 11453 until cost-of-living adjustments to the new schedule eliminate the difference between the new basic rates and the state participation level.

(d) As used in this section, "specialized care rate" means an amount paid on behalf of a foster child requiring specialized care to a home listed in subdivision (a) in addition to the basic rate. The department, with the advice and assistance of the counties, shall develop and implement a ratesetting system for specialized care rates by July 1, 1984. No county shall be reimbursed for any percentage increases in specialized care payments which exceed the percentage cost-of-living increase provided in any fiscal year beginning with the 1982-83 fiscal year to persons eligible for aid under subdivision (a) of Section 11450. Existing criteria for establishing these specialized care rates shall be frozen until a new rate system for specialized care is implemented. During the interim period between July 1, 1982, and implementation, the following procedures shall apply:

(1) A child receiving foster care at the basic rate as of July 1, 1982, shall not receive care at the specialized care rate unless he or she is reclassified as needing specialized care in a home other than the one in which he or she is residing. A child shall be reclassified as needing specialized care without a change in placement only when movement would cause the child physical or emotional harm and the agency documents that the child's foster parent has the skills necessary to meet the increased needs of the child.

(2) A child receiving care at a specialized care rate as of July 1, 1982, shall continue to receive care at this rate unless the needs of the child are determined to justify the reduction or elimination of the specialized care rate or to justify additional specialized care in a home other than the one in which the child is residing. A child shall be reclassified as needing additional specialized care without a change in placement only when movement would cause the child physical or emotional harm and the child's foster parent has the skills necessary to meet the increased needs of the child.

(3) A child entering the foster care system after July 1, 1982, who requires specialized care, shall receive a rate based on the county's specialized care system.

(e) This section shall remain in effect only until December 31, 1985, and as of that date is repealed, unless a later enacted statute chaptered prior to that date extends or deletes that date.

SEC. 115.4. Section 11462.1 is added to the Welfare and Institutions Code, to read:

11462.1. (a) Notwithstanding Section 11462, for a child receiving AFDC-FC under the provisions of this chapter who would otherwise be placed in the California Youth Authority, except for the child's placement in a group home which is licensed and located outside of this state, the rate shall be the group home rate established by the rate-setting authority of the state in which the facility is located.



(b) The department may perform audits of all group homes which receive funds, pursuant to subdivision (a), on behalf of children receiving assistance under the AFDC-FC program.

(c) The placing agency shall determine the group home rate paid to the facility by the state in which the facility is located, and shall notify the department of the rate.

SEC. 115.5. Section 12200 of the Welfare and Institutions Code is amended to read:

12200. An aged, blind or disabled applicant or recipient shall be paid an amount of aid which when added to his or her federal benefit received under Part A of Title XVI of the Social Security Act and other nonexempt income and resources, equals the following:

(a) For a blind applicant or recipient, the sum of five hundred sixteen dollars (\$516) per month and for a married couple both qualifying for benefits under this chapter as blind, the sum of one thousand dollars (\$1,000) per month.

(b) For a married couple, both qualifying for benefits under this chapter, and one of whom is blind, the sum of nine hundred forty-four dollars (\$944) per month.

(c) For an aged or disabled applicant or recipient, the sum of four hundred sixty-one dollars (\$461) per month.

(d) For a married couple both qualifying for benefits under this chapter as aged or disabled, the sum of eight hundred fifty-three dollars (\$853) per month.

(e) For an aged or disabled applicant or recipient under subdivision (c) or for a married couple under subdivision (d) whose living arrangement prevents preparation of his or her or their meals at home shall be entitled to an allowance of forty-eight dollars (\$48) per month for an individual and ninety-seven dollars (\$97) per month for a married couple in addition to any other amount he or she is entitled to under this chapter.

(f) For a disabled minor under 18 living with a parent or guardian or relative by blood or marriage, the sum of three hundred sixty-eight dollars (\$368) per month.

(g) For a recipient in a nonmedical out-of-home care facility, the sum of five hundred twenty dollars (\$520) per month.

(h) For the personal and incidental needs of a person receiving care in a medical facility under the Medi-Cal Act, the sum of twenty-five dollars (\$25) per month.

(i) In the case of any individual or couple whose federal benefit received under Part A of Title XVI of the Social Security Act is reduced in accordance with Section 1612(a) (2) (A) of Public Law 92-603 because he lives in another person's household and receives support and maintenance-in-kind from such person, the appropriate grant level set forth in subdivision (a), (b), (c), or (d) of this section shall be reduced by the amount of the reduction in the federal benefit, subject to the provisions in Section 12204.

This subdivision shall be operative only during such time that such in-kind support and maintenance, under federal law, is treated as

providing the basis for a lower payment standard rather than being treated as the receipt of unearned income.

This section shall only remain in effect until January 1, 1984, and as of that date is repealed, unless a later enacted statute chaptered prior to that date extends or deletes that date.

SEC. 115.7. Section 12200 is added to the Welfare and Institutions Code, to read:

12200. An aged, blind or disabled applicant or recipient shall be paid an amount of aid which when added to his or her federal benefit received under Part A of Title XVI of the Social Security Act and other nonexempt income and resources, equals the following:

(a) For a blind applicant or recipient, the sum of five hundred thirty-five dollars (\$535) per month and for a married couple both qualifying for benefits under this chapter as blind, the sum of one thousand forty-one dollars (\$1,041) per month.

(b) For a married couple, both qualifying for benefits under this chapter, and one of whom is blind, the sum of nine hundred eighty-two dollars (\$982) per month.

(c) For an aged or disabled applicant or recipient, the sum of four hundred seventy-seven dollars (\$477) per month.

(d) For a married couple both qualifying for benefits under this chapter as aged or disabled, the sum of eight hundred eighty-six dollars (\$886) per month.

(e) For an aged or disabled applicant or recipient under subdivision (c) or for a married couple under subdivision (d) whose living arrangement prevents preparation of his or her or their meals at home shall be entitled to an allowance of fifty-one dollars (\$51) per month for an individual and one hundred three dollars (\$103) per month for a married couple in addition to any other amount he or she is entitled to under this chapter.

(f) For a disabled minor under 18 living with a parent or guardian or relative by blood or marriage, the sum of three hundred seventy-eight dollars (\$378) per month.

(g) For a recipient in a nonmedical out-of-home care facility, the sum of five hundred thirty-nine dollars (\$539) per month.

(h) For the personal and incidental needs of a person receiving care in a medical facility under the Medi-Cal Act, the sum of twenty-five dollars (\$25) per month.

(i) In the case of any individual, or couple, whose federal benefit received under Part A of Title XVI of the Social Security Act is reduced in accordance with Section 1612(a) (2) (A) of Public Law 92-603 because he lives in another person's household and receives support and maintenance-in-kind from such person, the appropriate grant level set forth in subdivision (a), (b), (c), or (d) of this section shall be reduced by the amount of the reduction in the federal benefit, subject to the provisions in Section 12204.

This subdivision shall be operative only during such time that such in-kind support and maintenance, under federal law, is treated as providing the basis for a lower payment standard rather than being

treated as the receipt of unearned income.

This section shall become effective on January 1, 1984.

SEC. 115.8. Section 12201 of the Welfare and Institutions Code is amended to read:

12201. The payment schedules to go into effect January 1, 1985, and on January 1 of each year thereafter, shall be the amounts set forth for January 1, 1984, in Section 12200, as adjusted to reflect any increases or decreases in the cost of living occurring after December 31, 1982. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(a) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food .....	\$1,832
Clothing (apparel and upkeep) .....	298
Fuel and other utilities .....	264
Rent, residential .....	2,303
Transportation .....	1,026
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Total .....	\$5,723

(b) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period which ends twelve months prior to the January in which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(c) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(d) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable weighted percentage change as determined in subdivision (b) and (2) dividing the sum by 100.

(e) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year

by the applicable category adjustment factor determined in subdivision (d).

(f) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in subdivision (d) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

The overall adjustment factor determined by the preceding computational steps shall be multiplied by the payment schedules established pursuant to Section 12200 as are in effect during the month of December preceding the calendar year in which the adjustments are to occur, and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules for the categories given under subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 12200, and shall be filed with the Secretary of State. The amount as set forth in subdivision (h) of Section 12200 shall be adjusted annually pursuant to this section in the event that the secretary agrees to administer payment under that subdivision. The payment schedule for subdivision (i) of Section 12200 shall be computed as specified, based on the new payment schedules for subdivisions (a), (b), (c), and (d) of Section 12200.

The department shall adjust any amounts of aid under this chapter to insure that the minimum level required by the Social Security Act in order to maintain eligibility for funds under Title XIX of that act is met.

SEC. 116. Section 12201.5 of the Welfare and Institutions Code is amended to read:

12201.5. Notwithstanding the provisions of Section 12200, the amount applicable under that section to a disabled minor residing in a nonmedical out-of-home facility with a nonrelative guardian shall be the amount specified in subdivision (g) of that section, as adjusted for cost-of-living pursuant to Section 12201.

SEC. 116.1. Section 12205 of the Welfare and Institutions Code is amended to read:

12205. Increases in federal benefits under Part A of Title XVI of the Social Security Act for reasons other than cost of living which are not accompanied by an increase in federal benefits under Title II of the Social Security Act shall be added to the payment schedules as set forth in Section 12200, excluding subdivision (h), in accordance with the following method: The amount of the increase in the federal monthly benefit level shall be multiplied by the number of recipients who will benefit therefrom and the resultant amount divided by the total number of recipients eligible for assistance under the provisions of this chapter at the time the increases are to go into effect, and the quotient rounded to the nearest dollar. This amount shall determine the increase in the aforementioned payment schedules.

Subsequent to the first increase pursuant to this section, each additional increase in the Title XVI federal benefit levels added to the payment schedules of Section 12200, excepting subdivision (h), shall be based on the difference between the federal benefit levels

immediately applicable prior to an increase thereto and the federal benefit levels immediately applicable thereafter.

The director shall notify the Secretary of the United States Department of Health, Education and Welfare of the amount of the increases to be added pursuant to this section to the payment schedules in Section 12200, no later than 15 working days following the date on which the director is notified by the secretary in writing of the amounts of the increases to federal benefits.

This section shall be suspended for the period from July 1 through December 31, 1983, and on January 1, 1984, shall become operative again.

SEC. 116.5. Section 12300.2 is added to the Welfare and Institutions Code, to read:

12300.2. In any in-home supportive services action concerning the amount of in-home supportive services to be provided, the department shall send a notice of the action to each recipient. The recipient shall also receive a description of each specific task authorized and the number of hours allotted. In the case of reassessment, the recipient shall receive an identification of hours for tasks increased or reduced and the difference from previous hours authorized.

SEC. 116.7. Section 12301 of the Welfare and Institutions Code is amended to read:

12301. The intent of the Legislature in enacting this article is to provide supplemental or additional services to the social and rehabilitative services in Article 6 (commencing with Section 12250) of this chapter. The Legislature further intends that necessary in-home supportive services shall be provided in a uniform manner in every county based on individual need consistent with the appropriation provided for such services in the annual Budget Act and the provisions of this chapter, in the absence of alternative in-home supportive services provided by an able and willing individual or local agency at no cost to the recipient, except as required under Section 12304.5. An able spouse who is available to assist the recipient shall be deemed willing to provide at no cost any services under this article except nonmedical personal services and paramedical services. When a spouse leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of such provider to provide supportive services may result in inappropriate placement or inadequate care, the spouse shall also be paid for accompaniment when needed during necessary travel to health-related appointments and protective supervision.

If the amount appropriated by the annual Budget Act is insufficient to meet all service needs, program reductions shall occur. The department shall notify counties and the Joint Legislative Budget Committee whenever the department's estimate of the cost of providing all the service needs exceed the amount appropriated in the Budget Act.

The following priorities are established to direct counties and the department on how to implement needed program reductions:

(a) Reduction in the frequency with which nonessential services are provided.

(b) Elimination of nonessential-service categories.

(c) Termination or denial of eligibility to persons requiring only domestic services.

(d) Termination or denial of eligibility to persons who, in the absence of services, would not require placement in a medical out-of-home care facility.

(e) Per capita reduction in the cost of services authorized.

Any program reductions shall be implemented so as to avoid, to the extent feasible within budgetary constraints, out-of-home placements.

The counties and the State Department of Social Services shall utilize these options in the order of their appearance. In no event shall services be terminated or denied to any eligible person who in the absence of services would require medical out-of-home care. In no event shall services be terminated or denied to any eligible person who in the absence of such services would become unemployed.

Nonessential services are routine mending, ironing, heavy cleaning, domestic services, yard hazard abatement except for snow removal, teaching and demonstration, and any other services specified by the department. Restrictions on nonessential services shall be excepted on a case by case basis when denial or termination of such services would result in placement in a medical out-of-home facility or in a loss of employment, in a life threatening situation in conditions which present a substantial threat to health or safety, or in any other condition specified by the department. Essential services shall at a minimum include those services listed in subdivision (e) of Section 12304.

SEC. 116.8. Section 12301.2 of the Welfare and Institutions Code is amended to read:

12301.2. A time for task guideline may be used only if it is appropriate in meeting the individual's particular circumstances. Counties shall not use time for task guidelines in assessing the need of eligible individuals for the services described in subdivision (e) of Section 12304.

SEC. 117. Section 12303.5 of the Welfare and Institutions Code is amended to read:

12303.5. Except as provided in Section 12304, no one individual recipient shall receive services under this article, the total cost of which exceeds six hundred four dollars (\$604) in any one month. The six hundred four dollars (\$604) maximum specified under this section shall be adjusted annually to reflect cost-of-living changes occurring subsequent to January 1, 1983. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the weighted average of changes for food, clothing, fuel, utilities, rent, and

transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(a) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food .....	\$ 1,832
Clothing (apparel and upkeep) .....	298
Fuel and other utilities .....	264
Rent, residential.....	2,303
Transportation .....	1,026
<hr/>	
Total .....	\$ 5,723

(b) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(c) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(d) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable weighted percentage change as determined in subdivision (b) and (2) dividing the sum by 100.

(e) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in subdivision (d).

(f) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in subdivision (d) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

The overall adjustment factor determined by the preceding computational steps shall be multiplied by the maximum payment in effect during the month of June preceding the fiscal year in which the adjustments are to occur, and, notwithstanding Section 11017.1, the product rounded down to the nearest dollar. The resultant

amount shall constitute the new maximum payment.

SEC. 118. Section 12303.7 of the Welfare and Institutions Code is amended to read:

12303.7. Any aged, or disabled applicant or recipient who is eligible for assistance under this article, whose disabilities prevent the use of cooking facilities at home, shall be given the option to receive an allowance of forty-nine dollars (\$49) per month for an individual and ninety-eight dollars (\$98) per month for a married couple in lieu of the appropriate in-home food preparation and consumption services. The allowance under this section shall be in addition to any amount that the applicant or recipient is entitled to under this chapter. This allowance shall not have the effect of exceeding the total cost maximum of Sections 12303.5 and 12304. Nothing in this section shall be construed to limit the applicant's or recipient's right to receive the allowance under this section and all other homemaker and chore services.

The State Department of Social Services shall adjust the amount of the allowance under this section on July 1, 1984, and each year thereafter to reflect cost-of-living changes subsequent to January 1, 1983, as provided under Section 12303.5.

SEC. 119. Section 12304 of the Welfare and Institutions Code is amended to read:

12304. (a) Any aged, blind, or disabled individual who is eligible for assistance under this chapter or Chapter 4 (commencing with Section 12500) who is in need, as determined by the county welfare department, of at least 20 hours per week of the services specified in subdivision (e), shall be eligible to receive services under this article, the total cost of which does not exceed eight hundred seventy-two dollars (\$872) per month, plus adjustments reflecting cost-of-living changes subsequent to January 1, 1983, as determined under Section 12303.5. Increases in the maximum amount payable under this section shall not be construed to mean automatic increases in the amounts payable under this article.

(b) An individual who is eligible for services subject to the maximum amount specified in subdivision (a) and who is capable of handling his or her own financial and legal affairs shall be given the option of hiring and paying his or her own provider of in-home supportive services. For this purpose the individual shall be entitled to receive a monthly cash payment in advance not to exceed the maximum amount specified in subdivision (a), which is in addition to his or her grant, if any. An individual who is not capable of handling his or her own financial and legal affairs shall be entitled to receive the cash payment through his or her guardian, conservator, or protective payee.

(c) In no event shall the maximum total cost for services and advance cash payment for one individual recipient under subdivisions (a) and (b) exceed the maximum of eight hundred seventy-two dollars (\$872) per month, as adjusted pursuant to subdivision (a).



(d) The county welfare department shall inform in writing any individual who is potentially eligible for services under this section of his or her right to the services.

(e) For purposes of this section, a recipient who is eligible for services subject to the maximum amount specified in subdivision (a) is one who requires in-home supportive care of at least 20 hours per week to carry out any or all of the following:

(1) Routine bodily functions, such as bowel and bladder care and respiration assistance.

(2) Dressing, oral hygiene, and grooming.

(3) Preparation and consumption of food and meal cleanup for individuals who require assistance with the preparation and consumption of food.

(4) Moving into and out of bed, other assistance in transferring, turning in bed, and other repositioning.

(5) Bathing, routine bed baths, and washing.

(6) Ambulation and care and assistance with prostheses.

(7) Rubbing of skin to promote circulation.

(8) Paramedical services.

(9) Any other function of daily living as determined by the director.

This determination of need shall be supported by a medical report when requested and shall be prepared at the expense of the State Department of Social Services.

SEC. 120. Section 13004 of the Welfare and Institutions Code, as amended by Chapter 10 of the Statutes of 1983, First Extraordinary Session, is repealed.

SEC. 121. Section 13004 is added to the Welfare and Institutions Code, to read:

13004. Counties, in expending the allocation for other county social services, shall provide (a) protective services for children and foster care services pursuant to Chapters 5 (commencing with Section 16500), 5.3 (commencing with Section 16525), and 5.5 (commencing with Section 16550) of Part 4, (b) protective services and foster care services for adults pursuant to Section 12251, (c) In-Home Supportive Services administration, (d) information referral services, and (e) transportation to and from health care facilities, or the location of other health care providers, when there is an urgent need for health care and transportation which is not otherwise available from other resources. These transportation services shall be maintained at least at the level provided by counties, as part of health-related services as provided for in Section 12251, on September 30, 1981.

SEC. 124.5. Section 14005.7 of the Welfare and Institutions Code is amended to read:

14005.7. The following medically needy individuals are eligible for health care service under Section 14005:

(a) A medically needy person whose monthly income in excess of the amount required for maintenance established pursuant to

Section 14005.12 (exclusive of any amounts considered exempt as income under Chapter 3 (commencing with Section 12000) of this part) is not sufficient to provide for the costs of health care or coverage less any amount by which the value of his other resources exceeds the value established in accordance with Section 14006, or a reasonable portion of such value thereof as may be determined in accordance with standards established by the director; or

(b) A medically needy family person whose monthly family income in excess of the amount required for maintenance established pursuant to Section 14005.12, by family size (exclusive of any amounts considered exempt as income under Chapter 2 (commencing with Section 11200) of this part), is not sufficient to provide for the costs of health care or coverage less any amount by which the value of the family's other resources exceeds the value established in accordance with Section 14006, or a reasonable portion of such value thereof as may be determined in accordance with standards established by the director.

In determining the monthly income of a medically needy person residing in a licensed community care facility, any amount paid to the facility for residential care and support that exceeds the maintenance need level shall be deemed unavailable for the purposes of this chapter.

SEC. 124.6. Section 14005.12 of the Welfare and Institutions Code is amended to read:

14005.12. (a) For the purposes of Sections 14005.4, and 14005.7, the department shall establish the income levels for maintenance need at the lowest levels that reasonably permit medically needy persons to meet their basic needs for food, clothing, and shelter, and for which federal financial participation will still be provided under Title XIX of the federal Social Security Act. It is the intent of the Legislature that the income levels for maintenance need for medically needy aged, blind, and disabled adults, in particular, shall be based upon amounts that adequately reflect their needs.

(b) In the case of a single individual, the amount of the income level for maintenance per month shall be 80 percent of the highest amount that would ordinarily be paid to a family of two persons, without any income or resources, under subdivision (a) of Section 11450, multiplied by the federal financial participation rate.

(c) In the case of a family of two adults, the income level for maintenance per month shall be the highest amount that would ordinarily be paid to a family of three persons without income or resources under subdivision (a) of Section 11450, multiplied by the federal financial participation rate.

(d) For the purposes of Sections 14005.4 and 14005.7 for a person in long-term care the amount considered as required for maintenance per month shall be computed pursuant to regulations which provide for the following purposes:

- (1) Personal and incidental needs while a patient.
- (2) The upkeep and maintenance of the home.

(3) The support and care of his spouse, minor dependents and any disabled relative for whose support he has contributed regularly.

(4) If federal requirements permit such a person to own an automobile of greater value than is permitted in the case of recipients of aid under Chapter 3 of this part, the department shall adopt the more liberal allowance in its rules and regulations.

(e) The income levels for maintenance per month, except as specified in subdivisions (b) through (d), shall be equal to the highest amounts that would ordinarily be paid to a family of the same size without any income or resources under subdivision (a) of Section 11450, multiplied by the federal financial participation rate.

(f) The "federal financial participation rate," as used in this section, shall mean 1331/3 percent, or such other rate set forth in Section 1903 of the Social Security Act, or its successor provisions.

(g) The income levels for maintenance per month shall not be decreased to reflect the presence in the household of persons receiving forms of aid other than Medi-Cal.

(h) When family members maintain separate residences, but eligibility is determined as a single unit under Section 14008, the income levels for maintenance per month shall be established for each household in accordance with subdivisions (b) to (g), inclusive. The total of these levels shall be the level for the single eligibility unit.

(i) The income levels for maintenance per month established pursuant to subdivisions (b) through (h) shall be calculated on an annual basis, rounded to the next higher multiple of one hundred dollars (\$100), and then prorated.

SEC. 124.7. (a) Any provision of Section 14005.7 or 14005.12 of the Welfare and Institutions Code that is in conflict with any federal statute or regulation shall be inapplicable to the extent of such conflict, but the provision and the remainder of the provisions shall be unaffected to the extent no conflict exists.

No provision of Section 14005.7 or 14005.12 of the Welfare and Institutions Code shall be considered to be in conflict with any federal statute or regulation until after a final determination of the Secretary of the United States Department of Health and Human Services, made pursuant to Section 1116(a) (3) of the Federal Social Security Act, finding such a conflict.

(b) In the event of an initial determination by the Secretary of the United States Department of Health and Human Services that any provision of this act is in conflict with any federal statute or regulation, the State Department of Health Services shall take all available and necessary steps to obtain a final determination reversing that decision. In the event of a final determination finding a conflict with federal law, the State Department of Health Services shall immediately request the State Attorney General to seek judicial review of the determination, and shall immediately notify the appropriate policy and fiscal committees of both houses of the Legislature.

(c) In the event of a final determination finding that any provision of this act conflicts with federal law, the State Department of Health Services shall adopt emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, if necessary to avoid withholding of federal reimbursement. The department shall further seek a federal waiver to permit implementation of the provision fund to be in conflict with federal law, and shall continue to implement all provisions of this act which are unaffected by the final determination.

(d) The State Director of Health Services shall adopt regulations implementing the provisions of Sections 14005.7 and 14005.12 of the Welfare and Institutions Code as emergency regulations in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health Services in order to implement the provisions Sections 14005.7 and 14005.12 of the Welfare and Institutions Code shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

(e) If any provision of Section 14005.7 or 14005.12 of the Welfare and Institutions Code, or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of these sections that can be given effect without the invalid provision or application, and to this end the provisions of these sections are severable.

SEC. 124.8. Section 14006 of the Welfare and Institutions Code is amended to read:

14006. (a) For the purposes of Sections 14005.4 and 14005.7, the term "other resources" means the real or personal property, or any combination of both, held by a medically needy or medically indigent individual or family.

(b) For the purposes of this section, the term "principal residence" means the home, including a multiple-dwelling unit, in which the individual resides or formerly resided. The home will continue to be considered the principal residence if any of the following is applicable: (1) during any absence, the individual intends to return to the home; (2) the individual lives in a skilled nursing or intermediate care facility and can reasonably be expected to return home; (3) the individual's spouse or a dependent relative of the individual continues to reside in the home; (4) the individual does not have the right, authority, power, or legal capacity to

liquidate the property, but a bona fide effort is being made to attain the right, authority, power, or legal capacity to liquidate the property; (5) the property cannot readily be converted to cash but a bona fide effort is being made to sell the property; (6) if it is a multiple-dwelling unit, one unit of which is occupied by the applicant or recipient, any unit not occupied by the applicant or recipient is producing income for the individual or family reasonably consistent with its value; or (7) it is inhabited by any sibling or child of the recipient who has continuously resided in the property since at least one year prior to the date the owner entered a skilled nursing or intermediate care facility. The state shall have a lien against the property, to the extent permitted by federal law, for the cost of medical services. The lien shall be recorded, and from the date of recording shall have force, effect, and priority of a judgment lien.

For purposes of this subdivision, "bona fide effort" means that the property shall be listed with a licensed real estate broker at the value determined to be the fair market value by a qualified real estate appraiser and the applicant or recipient provides evidence that a continuous effort is being made to sell the property, offers at fair market value are accepted, and all offers are reported.

(c) The amount of other resources is limited to not more than one thousand five hundred dollars (\$1,500) for an aged, blind or disabled individual, or not more than three thousand dollars (\$3,000) for an aged, blind or disabled individual and his spouse. For a medically needy family person or for a medically indigent person or family, this limit shall be established at not less than one thousand five hundred dollars (\$1,500) and not more than three thousand dollars (\$3,000), in accordance with family size. In addition, a medically needy or medically indigent person or family may retain: (1) Other property in accordance with the provisions of Sections 11158 and 12152 of this code; (2) Real property other than the principal residence, up to a value of six thousand dollars (\$6,000) provided it is producing income for the individual or family reasonably consistent with its value; (3) The principal residence; (4) Any additional resources allowed under the provisions of Title XVI of the Social Security Act.

(d) The director, to meet the requirements of the Federal Social Security Act and to insure the highest percentage of federal financial participation in the program provided by this chapter, may decrease or increase the amounts set forth herein.

(e) If the holdings are in the form of real property, the value shall be the assessed value, determined under the most recent county property tax assessment, less the unpaid amount of any encumbrance of record.

If the real property other than the home is not producing income reasonably consistent with its value, the applicant or recipient shall be allowed reasonable time to begin producing such income from the property. If the property cannot produce reasonable income or be sold based on the market value, the applicant or recipient shall be allowed to submit evidence from a qualified real estate appraiser

which indicates the value for which the property can be adequately utilized or sold. If the applicant or recipient provides evidence that the only method of adequately utilizing the property is sale, and the property has not been sold at market value during a reasonable period of time, the property shall be considered to be adequately utilized provided it is listed with a licensed real estate broker at the value determined to be the fair market value by a qualified real estate appraiser and the applicant or recipient provides evidence that a bona fide and continuous effort is being made to sell the property.

(f) Any mortgage or note secured by a deed of trust shall be deemed real property if its value does not exceed six thousand dollars (\$6,000) and it is obtained by the applicant or recipient, or in combination with his spouse, through the sale of such real property.

(g) If the holdings consist of money on deposit, the value shall be the actual amount thereof. If the holdings are in any other form of personal property or investment, except life insurance, the value shall be the conversion value as of the date of application or the anniversary date of such application. If the holdings are in the form of life insurance, the value shall be the cash value as of the policy anniversary nearest the date of such application.

(h) The value of property holdings shall be determined as of the date of application and, if the person is found eligible, this determination shall establish the amount of such holdings to be considered during the ensuing 12 months except a new determination to govern during the succeeding 12 months shall be made on the first anniversary date of the application or such alternate date as may be established following the acquisition of additional holdings as provided in the following paragraph and on each succeeding anniversary date thereafter.

(i) If any person shall by gift, inheritance, or other manner, acquire additional holdings during any such interval, other than from his own earnings, he shall immediately report such acquisition, and the anniversary date shall become the date of such acquisition.

SEC. 125.2. Section 14021.5 of the Welfare and Institutions Code is amended to read:

14021.5. (a) Notwithstanding any other provision of law, rates for reimbursing Short-Doyle mental health and drug services allowable under the Medi-Cal program and rendered to Medi-Cal beneficiaries under the Short-Doyle program shall continue to be based on the upper limits allowable under federal law and regulations for services provided prior to July 1, 1980, on the lower of reasonable cost and customary charges for services provided July 1, 1980, through June 30, 1982, and on the lowest of reasonable cost, customary charges, and rates paid by the Short-Doyle program for services provided July 1, 1982, through June 30, 1984.

(b) The Legislature hereby states and declares that this section does not constitute a change in, but is declaratory of, existing law and that rates for reimbursing Short-Doyle mental health and drug

services to Medi-Cal beneficiaries under the Short-Doyle program in previous fiscal years were based upon the lower of reasonable costs or customary charges.

(c) The State Department of Health Services, after consulting with the State Department of Mental Health and the State Department of Alcohol and Drug Programs, in regard to their respective programs, shall promulgate emergency regulations relating to claims submission and establishing rates and a rate-setting methodology for determining reimbursement of Short-Doyle mental health and drug services allowable under the Medi-Cal program and rendered to Medi-Cal beneficiaries under the State Department of Mental Health and the State Department of Alcohol and Drug Programs' programs respectively. Such methodology and rates shall reflect the most recently completed cost reports and shall be effective commencing July 1, 1984.

SEC. 125.4. Section 14023.7 is added to the Welfare and Institutions Code, to read:

14023.7. Any provider of service seeking payment for health care services for a person eligible for these services under this chapter shall first seek to obtain payment from any private or public health insurance coverage to which the person is entitled, where the provider is aware of this coverage and to the extent the coverage extends to these services, prior to submitting a claim to the department for the payment of any unpaid balance for these services. In the event that a claim submitted to a private or public health insurer has not been paid within 90 days of billing by the provider, a claim may be submitted to the department.

SEC. 125.5. Section 14087.2 of the Welfare and Institutions Code is amended to read:

14087.2. It is the intent of the Legislature that for the 1982-83 and 1983-84 fiscal years, children's hospitals and charitable research hospitals as defined in Section 10178 of the Insurance Code, need not contract under the provisions of this article. Services provided by such hospitals shall be reimbursed according to the state plan. Children's hospitals are defined as those hospitals where 30 percent of the infants and children served by the single institution qualify for Medi-Cal payment systems and the institution serves primarily children.

If such a hospital elects to contract pursuant to this article in the 1982-83 or 1983-84 fiscal year, the negotiator shall give consideration to the special services provided in such hospitals, such as those services provided to children. The California Medical Assistance Commission shall continue to extend such consideration to such hospitals following the 1983-84 fiscal year. By February 1, 1984, the commission shall report to the Legislature on the feasibility of concluding hospital negotiations with these hospitals.

SEC. 126.5. Section 14165 of the Welfare and Institutions Code is amended to read:

14165. There is hereby created in the Governor's Office the

California Medical Assistance Commission, for the purpose of contracting with health care delivery systems for provision of health care services to recipients under the California Medical Assistance program.

SEC. 127.5. Section 15200 of the Welfare and Institutions Code, as amended by Section 16 of Chapter 977 of the Statutes of 1982, is amended to read:

15200. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, and after deducting available federal funds, the following sums:

(a) To each county for the support and maintenance of needy children, 89.2 percent of the sums specified in subdivision (a), and paragraphs (1) and (2) of subdivision (e) of Section 11450.

(b) To each county for the support and maintenance of pregnant mothers, 89.2 percent of the sums specified in subdivisions (b) and (c) of Section 11450.

(c) To each county for the support and maintenance of needy children, 95 percent of the sum necessary for the adequate care of each child pursuant to subdivision (d) of Section 11450 for the period July 1, 1979, to December 31, 1985.

(d) To each county for the support and care of hard-to-place adoptive children, 100 percent of the nonfederal share of the amount specified in Section 16121.

(e) This section shall remain in effect only until December 31, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before December 31, 1985, deletes or extends such date.

SEC. 127.6. Section 15200 of the Welfare and Institutions Code, as amended by Section 17 of Chapter 977 of the Statutes of 1982, is amended to read:

15200. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, and after deducting federal funds available, the following sums

(a) To each county for the support and maintenance of needy children, 89.2 percent of the sums specified in subdivision (a), and paragraphs (1) and (2) of subdivision (e), of Section 11450.

(b) To each county for the support and maintenance of pregnant mothers, 89.2 percent of the sum specified in subdivisions (b) and (c) of Section 11450.

(c) To each county for the adequate care of each child pursuant to subdivision (d) of Section 11450 the following amounts:

(1) The sum necessary for the adequate care of each child but not to exceed in any month the product of one hundred twenty dollars (\$120) multiplied by the number of children in each county receiving foster care. The state shall pay 67.5 percent and the county shall pay 32.5 percent of the aid furnished for the adequate care of such children.

(2) The state shall reimburse counties for the nonfederal costs of providing an additional twelve dollars and fifty cents (\$12.50) a



month per eligible child to foster parents. In addition the state may, at its discretion, pay on a pro rata basis from funds specifically appropriated in the Budget Act additional aid for the adequate care of foster children receiving aid under subdivision (d) of Section 11450.

The financial benefit accruing from the additional funds available under this paragraph shall be passed on to foster parents in order to more adequately reimburse foster parents for their expense, and to enable counties to more readily recruit and retain a selection of homes suited to the diversified needs of the individual child, and the counties shall not substitute the additional state funds received under this paragraph for county funds being expended for foster care at the time when this section takes effect.

(d) To each county for the support and care of hard-to-place adoptive children, 100 percent of the nonfederal share of the amount specified in Section 16121.

(e) This section shall become operative on January 1, 1986.

SEC. 131.1. Section 16704 of the Welfare and Institutions Code is repealed.

SEC. 131.2. Section 16704 is added to the Welfare and Institutions Code, to read:

16704. Funds from the County Health Services Fund shall be allocated to the governing body of each county, the City of Berkeley, and each existing local health district annually in accordance with the following procedures:

(a) The allocation of the amount determined in subdivision (a) of Section 16702 shall be made to each governing body of each county upon submission of the plan and budget as required by Section 16700. These funds shall be expended for county health services.

(b) The allocation of the amounts up to the maximum determined in subdivisions (b), (c), and (d) of Section 16702 shall be made upon application by the governing body of each local jurisdiction and upon signing of an agreement between the governing body and the State Director of Health Services. In the agreement, (1) all local jurisdictions shall agree to expend funds in an aggregate amount at least equal to the total amount designated in the plan and budget submitted pursuant to Section 16700; (2) counties shall agree to net county costs for county health services of county funds in the same amount as the funds requested under this paragraph pursuant to subdivision (b) of Section 16702; (3) counties shall agree to expend one dollar (\$1) of county funds for every three dollars (\$3) of state funds requested pursuant to subdivision (d) of Section 16702; and (4) cities shall agree to expend three dollars (\$3) of city funds for every one dollar (\$1) of state funds requested pursuant to paragraph (2) of subdivision (c) of Section 16702; and (5) all local health districts shall agree to expend two dollars (\$2) of district funds for every one dollar (\$1) of state funds requested pursuant to paragraph (3) of subdivision (c) of Section 16702. Funds requested pursuant to subdivision (d) and paragraph (3) of subdivision (c) of Section 16702

shall be expended only for public health services.

(c) (1) The allocation of funds appropriated pursuant to subdivisions (c) and (d) of Section 16703 shall be made upon application by the county board of supervisors. The application shall be in a form and in accordance with procedures and format established by the department. The board shall assure that it will expend such funds only for the health services specified in Sections 14132 and 14021 provided to persons certified as eligible for such services pursuant to Section 17000 and shall assure that it will incur no less in net costs of county funds for county health services in any fiscal year than the amount required to obtain the maximum allocation under Section 16702. These assurances shall be incorporated in the agreement specified in subdivision (b) of this section. In no event shall such funds be expended for costs of services specified in county Short-Doyle plans which are in excess of the 125 percent limitation specified in Section 5705.1.

(2) A county may reduce the amount of net costs of county funds for county health services required pursuant to paragraph (1) of subdivision (c) to the extent such reduction has been permitted pursuant to the provision of Section 16705 or 16705.5, provided that for fiscal year 1982-83 only, the provisions of Section 16705 shall not be operative, except for counties which received approval for reduction pursuant to this section in prior fiscal years.

(3) Any person whose income and resources meet the income and resource criteria for certification for services pursuant to Section 14005.7 other than for the aged, blind, or disabled, shall not be excluded from eligibility for services to the extent that state funds are provided. Such persons may be held financially liable for these services based upon the person's ability to pay. A county may not establish a payment requirement which would deny medically necessary services. This section shall not be construed to mandate that a county provide any specific level or type of health care service or to preclude a county from utilizing its own forms for the purpose of identifying persons eligible for county health care services. The Board of Control shall not honor any claims by a local agency for reimbursement of costs under this section. The provisions of this paragraph shall become inoperative if a court ruling is issued which decrees that the provisions of this paragraph mandates that additional state funds be provided and which requires that additional state reimbursement be made to counties for costs incurred under this paragraph. This paragraph shall be operative only until June 30, 1985, unless a later enacted statute extends or deletes that date.

(d) The agreement shall provide for reports of expenditures and information and shall constitute a contractual obligation. The State Director of Health Services shall not have the authority to disapprove the county health services plan or to require the additional expenditure of county, city, or district funds for health services beyond that required by this section and Section 16707.

(e) The local jurisdiction shall act in general accordance with the

plan and budget submitted pursuant to Section 16700.

SEC. 131.5. Section 16706 of the Welfare and Institutions Code is amended to read:

16706. (a) The distribution of funds pursuant to subdivision (b) of Section 16704 shall be made prospectively on a quarterly basis in accordance with regulations of the department. The distribution of funds pursuant to paragraph (1) of subdivision (c) of Section 16704 may be made in advance of the executed standard agreement on a monthly basis on or about the 15th of the month in accordance with regulations of the department. The director shall make adjustments in succeeding fiscal years for failure to comply with the terms of the agreement.

(b) The department may make adjustments to the monthly payments made to each county pursuant to paragraph (1) of subdivision (c) of Section 16704 if the county fails to expend such funds as specified in the agreement. The department shall recover any unexpended funds and may recover any funds not expended in accordance with the agreement.

(c) Each local jurisdiction receiving funds pursuant to Section 16704 shall submit the following reports to the department in the form and according to the guidelines and regulations established by the department:

(1) A report of estimated actual expenditures, revenues, and net county costs for the services provided in accordance with the county health services plan and budget for the fiscal year for which the agreement with the local jurisdiction was in effect. This report shall be provided by November 15 of the fiscal year following the close of the fiscal year for which the agreement with the local jurisdiction was in effect, unless an extension of this date is formally granted by the department, and shall serve as the initial basis for recovery of funds not expended in accordance with the agreement. The department shall review the report to determine whether or not the local jurisdiction has reported only expenditures, revenues, and net county costs specifically allowed pursuant to department guidelines and regulations and may disallow reported expenditures, revenues, and net county costs that are inaccurate or are not allowable. After reviewing the report and making disallowances, if any, the department shall recoup to the extent feasible by March 15 of the fiscal year following the fiscal year for which the agreement with the local jurisdiction was in effect.

(2) A report of actual expenditures, revenues, and net county costs for the services provided in accordance with the county health services plan and budget for the fiscal year for which the agreement with the local jurisdiction was in effect. This report shall be provided by November 15 of the second fiscal year following the close of the fiscal year for which the agreement with the local jurisdiction was in effect, unless an extension of this date is formally granted by the department, and shall serve as the final basis for recovery of funds not expended in accordance with the agreement, unless modified by

actual audit findings officially adopted by the state. The department shall review the report to determine whether or not the local jurisdiction has reported only expenditures, revenues, and net county costs specifically allowed pursuant to department guidelines and regulations and may disallow reported expenditures, revenues, and county costs that are inaccurate or are not allowable. After reviewing the report and making disallowances, if any, the department shall recoup to the extent feasible by March 15 of the second fiscal year following the fiscal year for which the agreement with the local jurisdiction was in effect and may make an adjustment to the recoupment amount if actual audit findings modify the report.

(d) The director shall withhold, in part or in whole, payment of county health services funds to a local jurisdiction, until the reports specified in subdivision (c) have been submitted to the department in the form and according to the guidelines and regulations established by the department.

SEC. 131.8. The Legislature finds and declares that state-funded services provided by local health departments are vitally important in maintaining the health and welfare of the people of California, and that some state funds appropriated for public health purposes are not fully expended each year.

The Legislature further finds and declares that with proper legislative direction, these otherwise unexpended funds can improve the public health by responding to emergencies, aiding distressed county hospitals, supporting refugee health services, computerizing local information systems, facilitating county/community clinic coordination, and assisting elderly care programs.

SEC. 132. Section 16707 of the Welfare and Institutions Code is amended to read:

16707. Savings that occur in the County Health Services Fund due to a lack of applications for funds or for failure of local jurisdictions to expend funds as required to qualify for funding under this part may be appropriated to the State Department of Health Services by the Legislature in the annual Budget Act. To the extent that savings are available, the Department of Health Services shall allocate these funds pursuant to priority categories established by the Legislature in the annual Budget Act. The funds shall be available to local jurisdictions for one-time projects upon application by the governing body of the jurisdiction. The funds shall only be expended if a local jurisdiction agrees to net expenditures of local jurisdiction funds in the same amounts. However, the State Director of Health Services may waive or reduce the matching requirement when funds are needed for a public health emergency if the director determines either that (a) due to financial constraints, a local jurisdiction is unable to incur net expenditures of local jurisdiction funds in the same amount as funds provided, or (b) the interest of the state would best be served by the waiver or reduction of the matching requirement.

The categories established may include any of the following:

(a) Public health emergencies: unforeseen events that pose an immediate threat to the public health, such as an impending outbreak of encephalitis, plague, or other infectious disease.

(b) Distressed county hospitals: facilities in danger of closure due to deterioration, age, or lack of compliance with code standards and which would, in the opinion of the State Department of Health Services, be likely to stay open if certain identifiable improvements are made. No expenditure in this category shall exceed one hundred fifty thousand dollars (\$150,000).

(c) Computerization of county information systems: equipment or software, or both, that would help county health departments' accounting revenue recovery, collections and billings, patient records, management information, and birth certification systems; or help provide the Legislature with information to better enable it to assess the impact and effectiveness of state funds used for public health and medically indigent care services, or both.

(d) Refugee health programs: projects that address the unique public health problems posed by the influx of refugees into California, such as tuberculosis testing, parasitic disease control, and nutrition education.

(e) County-clinic coordination: projects that facilitate effective utilization of private nonprofit clinics to reduce costs and improve access to primary care and public health services in medically underserved areas. Such funds shall not be used for capital financing.

(f) Elderly care projects:

(1) Development of adult day health care centers: projects for developing adult day health care councils, plans, and new centers, and assisting centers which have been licensed in the prior two years.

(2) Development of previously nonexistent programs for the elderly: projects establishing new programs, such as cervical and breast cancer education and detection, public health nursing programs specifically for seniors, addition of case management components to existing programs, and audio/visual nutrition education programs.

The Legislature may also appropriate these funds for any public health purpose it deems necessary in the annual Budget Act.

The amount of savings which may be utilized pursuant to this section shall be limited to two million dollars (\$2,000,000) in fiscal year 1982-83. For each fiscal year thereafter, the amount of savings which may be utilized pursuant to this section shall be limited to an amount equal to one quarter of one percent of the total amount of funds appropriated to the County Health Services Fund in that fiscal year. Any funds in excess of that amount which are savings from allocations made pursuant to Section 16702 shall revert to the General Fund. Any funds in excess of that amount in a county which did not contract with the State Department of Health Services pursuant to Section 16709 for the fiscal year and which are savings from allocations made from the Medically Indigent Services Account pursuant to subdivision (b) of Section 16703 shall be deposited in the

Local Health Capital Expenditure Account and shall be available for the purposes specified in Section 16715. For fiscal year 1983-84, funds shall not be available for projects until two million three hundred sixty-five thousand dollars (\$2,365,000) have been reverted to the General Fund.

The director shall report annually to the Legislature on the prior year's distribution of funds under this section.

The Department of Health Services is authorized to utilize funds that accumulate in the County Health Services Fund for administration of this program so long as these costs are authorized through the regular budget process.

SEC. 132.3. Section 16709 of the Welfare and Institutions Code is amended to read:

16709. (a) The board of supervisors of a county with a population under 300,000, as determined in accordance with the 1980 decennial census, may enter into a contract with the department and the department may enter into a contract with such county under which the department agrees to administer the program responsibilities for specified health services to county residents certified eligible for such services by the county. Any county may also elect to act jointly on a regional basis with other counties in assuming the program responsibilities and claim state funds on a joint basis.

(b) For the period from January 1, 1983, to June 30, 1983, each county intending to contract with the department pursuant to this section shall submit to the department a notice of intent to contract adopted by the board of supervisors no later than November 15, 1982. For each fiscal year thereafter a notice adopted by the board of supervisors shall be submitted no later than April 1 of the fiscal year preceding the fiscal year for which the agreement will be in effect in accordance with procedures established by the department.

(c) A county contracting with the department pursuant to this section shall not be relieved of its indigent health care obligation under Section 17000.

(d) The department shall establish a separate account in the County Health Services Fund. The following amounts may be deposited in the account: (1) moneys allotted under subdivisions (c) and (d) of Section 16703 to each county electing to contract with the department under this section; (2) any interest earned upon money deposited in the account; (3) any other additional moneys provided by participating counties or appropriated by the Legislature to the account.

(e) Moneys in the account specified in subdivision (d) of this section shall be used by the department to (1) pay for health care services provided to the county residents meeting the eligibility criteria established pursuant to subdivision (i) of this section; and (2) defray the department's administrative costs incurred in implementing the provisions of this section. Costs for administering the provisions of this section shall be borne by the participating counties out of the account specified in subdivision (d). For costs of

the initial implementation of the provisions of this section, which are incurred prior to signing contracts with the counties, the department is authorized to transfer up to five hundred thousand dollars (\$500,000) from Item 4260-101-001 (b) to Item 4260-101-001 (c) to fund fiscal intermediary changes and to Item 4260-001-001 to fund additional staff. The funds shall be repaid from the account specified in subdivision (d) to the General Fund by June 30, 1984. Any change order to the Medi-Cal fiscal intermediary contract that is required to carry out this section of this act shall be exempted from the 30-day notice to the Legislature required by the Budget Act of 1982, Section 2, Item 4260-101-001, Provision 22. Such change order shall be exempt from the Department of General Services review and approval. The funds shall be repaid by funds specified in subdivision (e) to the General Fund by June 30, 1984. Transfer of funds shall be subject to Department of Finance approval and legislative notification.

(f) Moneys in this account shall be administered on an accrual basis and notwithstanding any other provision of law, except as provided in this section, shall not be transferred to any other fund or account in the State Treasury except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from such investment shall be deposited in this fund, notwithstanding Section 16305.7 of the Government Code.

(g) At the end of the 1982-83 fiscal year, any savings in the account which accrue from contracts, once all service liabilities are liquidated, shall be transferred to an operating reserve for purposes of this section.

(h) At the end of the 1983-84 fiscal year and thereafter, at the end of each fiscal year, any savings in the account which accrue from contracts, once all service liabilities are liquidated, shall revert to the General Fund. The Governor may use these funds so reverted to establish an operating reserve for purposes of this section. If the Governor seeks to establish an operating reserve, the use of these funds shall be included in a separate line item in the Governor's Budget.

(i) Moneys appropriated pursuant to subdivision (c) and (d) of Section 16703 for counties electing to contract with the department pursuant to this section shall be deposited monthly as provided in subdivision (b) of Section 16706 in the account specified in subdivision (d) of this section after execution of the contract specified in subdivision (a). The Department of Finance may accelerate the deposit of such funds when necessary to meet cash flow requirements.

(j) The state shall be at risk for any amount over and above the amount deposited in the account specified in subdivision (d) of this section only until June 30, 1983. As a condition of the state assuming this risk, the department may require uniform eligibility criteria and benefits to be provided which shall be mutually established by

participating counties in conjunction with the department. The department in consultation with the counties may revise these eligibility criteria and benefits or reduce rates of payment during the fiscal year in order to assure that sufficient funds are available for health services to county residents certified as eligible for such services. For fiscal year 1983-84 and subsequent years, the counties shall be collectively at risk for any amount over and above that amount. Counties and the department shall work collectively to ensure that expenditures do not exceed the funds available in the account and may adjust eligibility and benefit criteria and payments accordingly.

(k) The Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Contracts under this section shall be exempt from the provisions of Chapter 6 (commencing with Section 14780) of Part 5.5 of Division 3 of the Government Code. Contracts shall have no force and effect unless approved by the Department of Finance.

(l) The state shall not incur any liability except as specified in this section.

SEC. 132.4. Section 16709 of the Welfare and Institutions Code is amended to read:

16709. (a) The board of supervisors of a county with a population under 300,000, as determined in accordance with the 1980 decennial census, may enter into a contract with the department and the department may enter into a contract with such county under which the department agrees to administer the program responsibilities for specified health services to county residents certified eligible for such services by the county. Any county may also elect to act jointly on a regional basis with other counties in assuming the program responsibilities and claim state funds on a joint basis.

(b) For the period from January 1, 1983, to June 30, 1983, each county intending to contract with the department pursuant to this section shall submit to the department a notice of intent to contract adopted by the board of supervisors no later than November 15, 1982. For each fiscal year thereafter a notice adopted by the board of supervisors shall be submitted no later than April 1 of the fiscal year preceding the fiscal year for which the agreement will be in effect in accordance with procedures established by the department.

(c) A county contracting with the department pursuant to this section shall not be relieved of its indigent health care obligation under Section 17000.

(d) The department shall establish a separate account in the County Health Services Fund. The following amounts may be deposited in the account: (1) moneys allotted under subdivisions (c) and (d) of Section 16703 to each county electing to contract with the department under this section; (2) any interest earned upon money deposited in the account; (3) any other additional moneys provided by participating counties or appropriated by the Legislature to the account.



(e) Moneys in the account specified in subdivision (d) of this section shall be used by the department to (1) pay for health care services provided to the county residents meeting the eligibility criteria established pursuant to subdivision (i) of this section; and (2) defray the department's administrative costs incurred in implementing the provisions of this section. Costs for administering the provisions of this section shall be borne by the participating counties out of the account specified in subdivision (d). For costs of the initial implementation of the provisions of this section, which are incurred prior to signing contracts with the counties, the department is authorized to transfer up to five hundred thousand dollars (\$500,000) from Item 4260-101-001 (b) to Item 4260-101-001 (c) to fund fiscal intermediary changes and to Item 4260-001-001 to fund additional staff. The funds shall be repaid from the account specified in subdivision (d) to the General Fund by June 30, 1984. Any change order to the Medi-Cal fiscal intermediary contract that is required to carry out this section of this act shall be exempted from the 30-day notice to the Legislature required by the Budget Act of 1982, Section 2, Item 4260-101-001, Provision 22. Such change order shall be exempt from the Department of General Services review and approval. The funds shall be repaid by funds specified in subdivision (e) to the General Fund by June 30, 1984. Transfer of funds shall be subject to Department of Finance approval and legislative notification.

(f) Moneys in this account shall be administered on an accrual basis and notwithstanding any other provision of law, except as provided in this section, shall not be transferred to any other fund or account in the State Treasury except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from such investment shall be deposited in this fund, notwithstanding Section 16305.7 of the Government Code.

(g) At the end of the 1982-83 fiscal year, any savings in the account which accrue from contracts, once all service liabilities are liquidated, shall be transferred to an operating reserve for purposes of this section.

(h) At the end of the 1983-84 fiscal year and thereafter, at the end of each fiscal year, any savings in the account which accrue from contracts, once all service liabilities are liquidated, shall revert to the General Fund. The Governor may use these funds so reverted to establish an operating reserve for purposes of this section. If the Governor seeks to establish an operating reserve, the use of these funds shall be included in a separate line item in the Governor's Budget.

(i) Moneys appropriated pursuant to subdivision (c) and (d) of Section 16703 for counties electing to contract with the department pursuant to this section shall be deposited monthly as provided in subdivision (b) of Section 16706 in the account specified in subdivision (d) of this section after execution of the contract

specified in subdivision (a). The Department of Finance may accelerate the deposit of such funds when necessary to meet cash flow requirements.

(j) The state shall be at risk for any amount over and above the amount deposited in the account specified in subdivision (d) of this section only until June 30, 1984. As a condition of the state assuming this risk, the department may require uniform eligibility criteria and benefits to be provided which shall be mutually established by participating counties in conjunction with the department. The department in consultation with the counties may revise these eligibility criteria and benefits or reduce rates of payment during the fiscal year in order to assure that sufficient funds are available for health services to county residents certified as eligible for such services. For fiscal year 1984-85 and subsequent years, the counties shall be collectively at risk for any amount over and above that amount. Counties and the department shall work collectively to ensure that expenditures do not exceed the funds available in the account and may adjust eligibility and benefit criteria and payments accordingly.

(k) The Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Contracts under this section shall be exempt from the provisions of Chapter 6 (commencing with Section 14780) of Part 5.5 of Division 3 of the Government Code. Contracts shall have no force and effect unless approved by the Department of Finance.

(l) The state shall not incur any liability except as specified in this section.

SEC. 132.5. Section 16709.1 is added to the Welfare and Institutions Code, to read:

16709.1. If the department negotiates a reimbursement rate of less than 100 percent of the Medi-Cal rate for providers for care of medically indigent adults in small counties with contracts with the state for the 1983-84 fiscal year, the department shall submit documentation to the Joint Legislative Budget Committee and the Joint Committee on Medi-Cal Oversight which describes the fiscal necessity and the program impact at this reimbursement rate.

This section shall remain in effect only until July 1, 1984, and on that date is repealed, unless a later enacted statute, which is chaptered before that date, deletes or extends that date.

SEC. 133. Section 16715 of the Welfare and Institutions Code is amended to read:

16715. (a) The Local Health Capital Expenditure Account is hereby created in the County Health Services Fund. Moneys in the Local Health Capital Expenditure Account shall be expended by the State Department of Health Services, as specified in this section, to (1) provide financial assistance to local jurisdictions to fund capital expenditures for local health facilities and equipment thereof, including new facilities and equipment and the replacement or modernization of existing facilities and equipment, and (2) defray

the department's administrative costs in providing technical assistance to local jurisdictions relative to financing these capital improvements, for which purpose the department shall establish a special personnel unit. Moneys in the Local Health Capital Expenditure Account shall be available for encumbrance without regard to fiscal year. Except for those funds appropriated to support the department's costs in administering the Local Health Capital Expenditure program, the following amounts shall be deposited in the General Fund: (1) interest or any other increment resulting from investment of funds, (2) loan repayments, and (3) funds allocated to counties for capital projects which are not spent.

As used in this section, "local health facility" means any facility owned or operated by a local jurisdiction for the provision of county health services.

(b) The State Department of Health Services shall provide financial assistance to local jurisdictions pursuant to this section in the form of direct loans or grants. Any grant under this section shall not exceed 50 percent of the cost of the project to be financed. The remainder of the cost of the project may be financed with any moneys available to the local jurisdiction for this purpose, including a loan or other financing method.

Loans under this section may be made for an amount not exceeding 80 percent of the project costs, for a term not exceeding 40 years, and shall bear interest on the unpaid principal balance at a rate to be computed annually, which shall be the same as the average rate returned by the Pooled Money Investment Board for the past five fiscal years immediately preceding the year in which the loan payment is made. The State Department of Health Services shall not require loans under this section to be secured or insured, but shall require as a condition of making a loan that there be a feasible plan for repayment.

The extent to which state assistance under this section shall be in the form of grants or loans, and the discretionary terms of this assistance, shall be established by the State Department of Health Services, as will best serve the needs of each health service area in improving the availability or quality of county health care services. It is the intent of the Legislature that, in providing financial assistance under this section, the State Department of Health Services shall endeavor to equalize the availability of this assistance on the basis of need throughout all geographic areas of the state. In allocating financial assistance, the amount of effort being made by a local jurisdiction to serve all its residents in a comprehensive and efficient manner shall also be considered.

(c) Any local jurisdiction desiring assistance for financing an eligible project under this section shall submit an application to the State Department of Health Services and concurrently transmit a copy thereof to the area health planning agency for the health service area in which the applicant local jurisdiction is located. The area health planning agency shall hold one or more public hearings

on the application and shall transmit its recommendation to the State Director of Health Services, who shall make the final decision.

(d) The State Department of Health Services shall develop criteria for use by the department and area health planning agencies in reviewing applications for assistance under this section. The criteria shall be developed in consultation with area health planning agencies, the Office of Statewide Health Planning and Development, the California Conference of Local Health Officers, the County Supervisors' Association of California, and the California Hospital Association, and shall include, but not be limited to, the following:

(1) Consistency of the proposed project with the county health services plan and with the local jurisdiction's long-range development plan.

(2) Consistency of the proposed project with the health systems plan and annual implementation plan developed for the area pursuant to federal Public Law 93-641, as amended.

(3) The extent to which the project will facilitate access of county indigents to health care services, particularly primary health services.

(4) The immediate and long-term financial feasibility of the project, taking into consideration all forms of assistance proposed to be obtained for the project.

(5) In the case of modernization projects, the extent of physical deterioration of the facilities or equipment to be improved, remodeled, or replaced.

(6) The adequacy of the county health services plan in meeting basic public health needs and the personal health needs of indigents.

(7) The extent to which the local jurisdiction is moving towards a more organized or efficient system of health care delivery.

(8) The extent to which the project is required to eliminate or prevent imminent safety hazards, as defined by federal, state, or local laws or regulations, or to comply with state licensure standards, or to comply with accreditation standards.

(9) The extent to which funds from the Local Health Capital Expenditure Account will be utilized to attract other sources of capital funding for county health facilities.

(e) The State Department of Health Services shall disburse financial assistance under this section pursuant to a contract with the recipient local jurisdiction, which shall specify the conditions of the grant or loan. These conditions may include provisions which assure compliance with the health care objectives for which the application was approved or given priority.

SEC. 133.5. Section 18969 of the Welfare and Institutions Code is amended to read:

18969. There is hereby created in the State Treasury a fund which shall be known as the State Children's Trust Fund. The fund shall consist of funds received from a county pursuant to Section 18968, funds collected by the state pursuant to subdivision (b) of Section 10605 of the Health and Safety Code, grants, gifts, or bequests made

to the state from private sources to be used for child abuse and neglect prevention and money appropriated to the fund for this purpose by the Legislature. The State Registrar may retain a percentage of the fees collected pursuant to Section 10605 of the Health and Safety Code, not to exceed 10 percent, in order to defray the costs of collection. Money in the State Children's Trust Fund shall be appropriated to the State Department of Social Services and administered by the Office of Child Abuse Prevention for the purpose of funding child abuse and neglect prevention and intervention programs focused on the needs of infants under the age of two years, as provided by the Legislature in the annual Budget Act. The department shall use no more than 5 percent of the funds appropriated pursuant to this section for administrative costs.

SEC. 134. Section 19350 of the Welfare and Institutions Code is amended to read:

19350. The Legislature reaffirms its intent that habilitation services for adults with developmental disabilities should be planned and provided as a part of a continuum and that habilitation services should be available to enable persons with developmental disabilities to approximate the pattern of everyday living available to nondisabled people of the same age. The Legislature further intends that habilitation services shall be provided to adults with developmental disabilities as specified in this chapter in order to guarantee the rights stated in Section 4502. If the funds appropriated in the Budget Act of 1983 for habilitation services are insufficient to permit the purchase of services for all persons who may need them, and it becomes necessary to reduce expenditures, the Department of Rehabilitation shall not exceed the amount appropriated therefor, and shall make appropriate reductions with respect to the level of services purchased for individuals in a manner that protects the rights stated in Section 4502. Decisions respecting reductions in the level of habilitation services for individuals shall be made jointly by regional center case managers and case-responsible persons of work activity programs in consultation with habilitation specialists. It is the intent of the Legislature that, if it becomes necessary to reduce the level of services, these services shall be planned and continuous, both for persons in need of these services, and for eligible applicants for services within the program and fiscal constraints of the provider agency, and in accordance with accreditation standards. If the regional center case manager and the case-responsible person at the work activity center cannot agree on these decisions, the department's habilitation specialist shall make the final decision, subject to the client's right to appeal. The department shall contract with work activity programs for a specified maximum number of reimbursable service days to extend through June 30, 1984. The department may terminate funding for habilitation services for any individual who is prepared for vocational rehabilitation services or competitive employment, as determined by the department's habilitation specialist, in consultation with the regional center case

manager and case-responsible person, subject to the client's right of appeal. Funding for habilitation services shall continue until either the client has been determined by the department's vocational rehabilitation counselor to be able to benefit from vocational rehabilitation services, or the client refuses an available job opening.

The department shall adopt one-year emergency regulations following consultation with the State Council on Developmental Disabilities, the Organization of Area Boards, the Association of Regional Center Agencies, the California Association of Rehabilitation Facilities, and the Association for Retarded Citizens—California and others, as deemed appropriate, to establish all of the following:

(a) The procedures by which it will enter into contracts with work activity programs for a specified maximum number of reimbursable service days.

(b) The procedures relating to joint decisions requiring reductions in the level of services to individuals made by regional center case managers and work activity program case-responsible persons in consultation with the department's habilitation specialist, and, in cases of disagreement, decisions made by the habilitation specialists.

(c) The criteria that shall apply to all decisions respecting reductions in the level of services to individuals eligible for, and in need of, habilitation services.

(d) The records the department shall maintain on the levels of service reductions in terms of client service day equivalents which shall be included in the development of budget estimates for subsequent years.

(e) The procedures and criteria that will apply with respect to the determinations for the termination of funding for habilitation services when persons are prepared for funded vocational rehabilitation services or to enter available competitive employment.

These emergency regulations shall be adopted pursuant to the Administrative Procedure Act contained in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For purposes of the Administrative Procedure Act, the adoption of these emergency regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety or general welfare for purposes of subdivision (b) of Section 11346.1 of the Government Code. This section and the emergency regulations required to be adopted by this section shall remain in effect only until July 1, 1984, and as of that date are repealed unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends that date. Notwithstanding any other provision of law, if the Office of Administrative Law orders the repeal of any part of these emergency regulations pursuant to Section 11349.6 of the Government Code, the emergency regulations affected by any order of repeal shall remain

in effect for 30 days following the date of the order of repeal.

SEC. 135.2. Section 19353 of the Welfare and Institutions Code is amended to read:

19353. A person shall be eligible for habilitation services under this chapter when all of the following exist:

(a) The person is an adult who has been diagnosed as having a developmental disability.

(b) The disability is so severe that he or she does not presently have potential for competitive employment.

(c) The degree of the person's disability has been determined by the Department of Rehabilitation to be too severe to allow the person to benefit from vocational rehabilitation services.

(d) The person is determined to be in need of habilitation services in an individual program plan developed by a regional center pursuant to Section 4646.

(e) The Department of Rehabilitation verifies, as necessary, that the person meets the eligibility criteria for habilitation services.

SEC. 136. Section 19354.5 of the Welfare and Institutions Code is amended to read:

19354.5. It is the intent of the Legislature that the department provide continuous monitoring of habilitation services for program effectiveness taking into consideration criteria, including, but not limited to:

(a) Service quality assurance.

(b) Cost effectiveness.

(c) Cost containment.

(d) Protections for persons receiving services.

(e) An equitable rate system.

It is further the intent of the Legislature that all persons receiving services at the end of any fiscal year shall be continued in service as identified in the habilitation component of the individual program plan in the subsequent fiscal year.

SEC. 137. Section 19355 of the Welfare and Institutions Code is amended to read:

19355. The department shall purchase those habilitation services which it determines to be necessary in the habilitation component of the individual program plan for eligible adults with developmental disabilities from accredited community nonprofit work activity programs. Habilitation services shall continue as long as progress is being made toward achieving objectives of the individual program plan and as long as these services are determined jointly by the regional center case manager and the habilitation specialist to be necessary to maintain the current level of functioning of the person.

SEC. 138. Section 19356 of the Welfare and Institutions Code is amended to read:

19356. The department shall promulgate regulations to establish rates, after consulting with the State Department of Developmental Services and subject to the approval of the Department of Finance.

The regulations shall provide for an equitable ratesetting procedure in which each specific allowable service, activity, and provider administrative cost comprising an overall habilitation service, as determined by the department, reflects the reasonable cost of service. Reasonable costs shall be determined annually by the department and subject to audit at the discretion of the department.

SEC. 142. Section 5 of Chapter 502 of the Statutes of 1982, as amended by Section 40 of Chapter 10 of the Statutes of 1983, First Extraordinary Session, is amended to read:

Sec. 5. (a) On May 1, 1984, and on every May 1 thereafter, through May 1, 1988, the Franchise Tax Board shall provide to the Controller an estimate of the net revenue gain to the General Fund resulting from the amendments to Section 17204 of the Revenue and Taxation Code made by Section 2 of this act. The estimate shall include, but is not limited to, all of the following:

(1) An estimate of the revenue gain or loss to the General Fund which would have resulted if Section 2 of this act had not been enacted.

(2) A separate estimate of the revenue gain or loss to the General Fund resulting from each of the following provisions of Section 17204 of the Revenue and Taxation Code contained in Section 2 of this act:

(A) Subparagraph (B) of paragraph (4) of subdivision (a).

(B) Subparagraph (C) of paragraph (4) of subdivision (a).

(C) Subparagraph (E) of paragraph (4) of subdivision (a).

(b) On July 1, 1984, and on every July 1 thereafter, through July 1, 1987, the Controller shall transfer each fiscal year from the General Fund to the Ridesharing and Alternative Transportation Fund an amount equal to the net anticipated gain to the General Fund resulting from the provisions of Section 2 of this act, as estimated by the Franchise Tax Board pursuant to subdivision (a). The transfer shall not exceed six million dollars (\$6,000,000) in any fiscal year.

SEC. 148.3. Section 41 of Chapter 10 of the 1983-84 First Extraordinary Session is amended to read:

Sec. 41. (a) Notwithstanding any other provisions of law, the Superintendent of Public Instruction shall make the computations prescribed by this section.

(b) The superintendent shall compute the amount to be apportioned to each school district, and the amount to be allocated to each county office of education, for the first principal apportionment according to law for the 1982-83 fiscal year.

(c) The superintendent shall reduce the February 1983 apportionment computed pursuant to subdivision (b) for each school district and county office of education by the full amount which will not be paid for the period January 1, 1983, to June 30, 1983, for that district or office to the Public Employees' Retirement System pursuant to the November 17, 1982, decision of the Board of Administration of the Public Employees' Retirement System to provide credits against school employers' contributions for the period January 1, 1983, to June 30, 1983, exclusive of (1) the amount



of the federal share of employer contributions to the Public Employees' Retirement System, as certified by the county superintendents, for employees supported by federal funds provided for a specific purpose and subject to federal supplanting restrictions, and (2) credits provided for employees funded by reimbursements pursuant to Section 42243.6 of the Education Code. The apportionments and allocations shall be made as reduced pursuant to this subdivision.

(d) The superintendent shall compute the sum of the reduction made pursuant to subdivision (c) and shall certify that sum to the Controller.

(e) The amount certified pursuant to subdivision (d) shall not be transferred by the Controller from the General Fund to Section A of the State School Fund pursuant to Item 6100-101-001 of the Budget Act of 1982, but shall instead be reverted to the unappropriated surplus of the General Fund.

SEC. 148.5. Section 7 of Chapter 1274 of the Statutes of 1982 is amended to read:

Sec. 7. On or before July 1, 1983, the State Board of Equalization shall certify to the Controller the amount of refund due to each claimant pursuant to this act. The total amount of money to be available for refunds pursuant to this act shall not exceed one million two hundred thousand dollars (\$1,200,000). If the total amount of claims exceeds one million two hundred thousand dollars (\$1,200,000), the board shall determine the pro-rata share due each claimant based on the proportion each claim bears to the total amount of claims and shall report that amount for certification.

No interest shall be paid on any refund of taxes made pursuant to this act.

To the extent money is appropriated in the Budget Act of 1984, for the purposes of making the refunds pursuant to this act, the refunds pursuant to this act shall be paid by September 15, 1984.

SEC. 148.7. Section 1 of Chapter 796 of the Statutes of 1981 is amended to read:

Section 1. The Legislature finds and declares that students with verifiable disabilities shall continue to be assured access to all campus programs and activities of those public postsecondary educational institutions for which they are academically qualified. To this end, it is the intent of the Legislature that these students continue to receive from the postsecondary educational institution they attend those supportive services as are necessary to permit the students to participate fully in the educational programs offered.

It is the further intent of the Legislature that state funds be made available to the California community colleges, the California State University, and the University of California to provide supportive services adequate to meet the needs of students with disabilities.

It is the further intent of the Legislature to utilize, while fully complying with applicable federal laws and regulations, state and federal vocational rehabilitation funds on a matching basis to support

reader and interpreter services to eligible rehabilitation clients.

SEC. 149. Prior to application of any cost-of-living adjustment which may be provided by the Budget Act of 1983, rates of reimbursement for Medi-Cal providers during the 1983-84 fiscal year shall be those rates in effect during the 1982-83 fiscal year after application of Section 77 of Chapter 1594 of the Statutes of 1982. Utilization control reimbursement limitations and service limitations, reductions or eliminations provided for in Sections 77, 78, and 79 of Chapter 1594 of the Statutes of 1982 shall remain in effect during the 1983-84 fiscal year.

SEC. 149.1. Notwithstanding any other provision of law, prior to July 1, 1985, utilization controls adopted by the State Department of Health Services shall not include prior authorization for portable X-ray services provided in skilled nursing or intermediate care facilities, as defined in Section 1250 of the Health and Safety Code.

SEC. 149.3. Notwithstanding the provisions of Item 6100-171-044 of the Budget Act of 1983, no money appropriated pursuant to that item shall be transferred to Section A of the State School Fund and the money otherwise appropriated by that item shall remain in the Motor Vehicle Account, State Transportation Fund.

There is hereby appropriated seventeen million dollars (\$17,000,000) from the Driver Training Penalty Assessment Fund to the Department of Education for transfer to Section A of the State School Fund for the purposes and subject to the conditions provided by Item 6100-171-044 of the Budget Act of 1983.

SEC. 149.4. Regulations adopted to implement the provisions of this act which revise the provisions of the Revenue and Taxation Code or the Unemployment Insurance Code shall be adopted as emergency regulations. These emergency regulations shall not be subject to the review and approval of the Office of Administrative law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These emergency regulations shall become effective immediately upon filing with the Secretary of State.

SEC. 149.5. The repeal of Sections 18693 and 25904 of the Revenue and Taxation Code by this act shall be operative on July 1, 1983.

SEC. 149.41. Prior to determining the amounts available under Section 11005 of the Revenue and Taxation Code, and prior to making any reduction as provided under Section 100.7 of the Revenue and Taxation Code, the Controller shall distribute an amount equal to the total amount which a city which became incorporated on September 11, 1979, would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code as those sections read on June 1, 1981. The Department of Finance shall determine that amount.

SEC. 149.42. Prior to determining the amounts available under

Section 11005 of the Revenue and Taxation Code, and prior to making any reduction as provided under Section 100.7 of the Revenue and Taxation Code, the Controller shall distribute an amount equal to the total amount which a city which became incorporated on January 20, 1923, would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code as those sections read on June 1, 1981. The Department of Finance shall determine that amount.

SEC. 149.43. The amendments to Sections 7651, 8353, and 8751 of the Revenue and Taxation Code by this act shall be operative on August 1, 1983.

SEC. 149.44. The amendments to Section 6359 of, and the repeal of Sections 6359.2 and 6359.4 of, and the addition of Section 6359.45 to, the Revenue and Taxation Code by this act shall be operative on August 1, 1983.

SEC. 149.45. The amendments to Sections 6006 and 6010 of the Revenue and Taxation Code by this act shall be operative on September 1, 1983.

SEC. 149.46. The amendments to Section 10753.2 of the Revenue and Taxation Code by this act shall be operative for any vehicle whose registration expires on or after September 30, 1983.

SEC. 149.47. The amendments to Section 10753 of the Revenue and Taxation Code by this act shall be operative on October 1, 1983.

SEC. 151. (a) Notwithstanding the provisions of Section 6217 of the Public Resources Code, revenues, moneys, and remittances received by the State Lands Commission and deposited in the State Treasury pursuant to Section 6217 of the Public Resources Code shall be subject to the special allocations specified in this section for the 1983-84 fiscal year. The provisions of this section shall be applicable only to the 1983-84 fiscal year and, except as otherwise expressly provided in this section, the sums deposited in the State Treasury pursuant to Section 6217 of the Public Resources Code shall be applied to the obligations specified in that section.

(b) For the 1983-84 fiscal year, the allocations specified in Section 6217 of the Public Resources Code shall be revised as follows:

(1) No amount shall be deposited in the California Water Fund pursuant to subdivision (b) of Section 6217 of the Public Resources Code.

(2) No amount shall be deposited in the Central Valley Water Project Construction Fund pursuant to subdivision (c) of Section 6217 of the Public Resources Code.

(3) The amount of sixty-nine million six hundred thirty-five thousand dollars (\$69,635,000) shall be deposited in the Capital Outlay Fund for Public Higher Education pursuant to subdivision (e) of Section 6217 of the Public Resources Code.

(4) No amount shall be deposited in the State School Building Lease-Purchase Fund pursuant to subdivision (f) of Section 6217 of the Public Resources Code.

(5) The amount of twenty-four million forty-eight thousand dollars (\$24,048,000) shall be deposited in the Energy and Resources Fund pursuant to subdivision (g) of Section 6217 of the Public Resources Code.

(6) No amount shall be deposited in the State Parks and Recreation Fund pursuant to subdivision (h) of Section 6217 of the Public Resources Code.

(7) No amount shall be deposited in the Transportation Planning and Development Account in the State Transportation Fund pursuant to subdivision (i) of Section 6217 of the Public Resources Code.

(8) The amount of seventeen million eight hundred sixteen thousand dollars (\$17,816,000) shall be deposited in the Special Account for Capital Outlay in the General Fund pursuant to subdivision (j) of Section 6217 of the Public Resources Code.

(9) The amount of three hundred fifty thousand dollars (\$350,000) shall be transferred to the Resources Agency for distribution to public and private higher education for use as up to two-thirds of the local matching share for projects under the National Sea Grant College Program Act of 1966 (P.L. 89-688). If any amount is appropriated in the 1983-84 Budget Act for the National Sea Grant Program Act of 1966, that amount shall be the total amount transferred pursuant to this section.

(10) The amount of five million dollars (\$5,000,000) shall be deposited in the Santa Monica Mountains Conservancy Fund.

(c) An amount of up to two hundred fourteen million six hundred nine thousand dollars (\$214,609,000) shall be deposited in the unappropriated surplus of the General Fund. This transfer shall be in lieu of any transfer pursuant to Section 6 of Chapter 904 of the Statutes of 1980.

SEC. 151.1. Notwithstanding any other provisions of law, the Controller shall treat credits granted by the Board of Administration of the Public Employees' Retirement System against school employers' contributions for the period of January 1, 1983, to June 30, 1983, inclusive, as payments of school employers for purposes of computing mandated cost reimbursements under Section 2231 of the Revenue and Taxation Code and Chapter 1398 of the Statutes of 1974, Chapter 1170 of the Statutes of 1978, Chapter 1036 of the Statutes of 1979, and Chapter 799 of the Statutes of 1980.

SEC. 151.2. Notwithstanding any other provisions of law, including Section 50661 of the Health and Safety Code, on the operative date of this act, the sum of two hundred ninety thousand dollars (\$290,000) is hereby transferred from the Housing Rehabilitation Loan Fund to the General Fund. This sum shall be a loan and the loan shall be repaid on or before June 30, 1984, together with interest based on the rate earned by the Pooled Money Investment Account during the period of the loan.

SEC. 151.3. (a) The Los Angeles Community College District shall proceed with the development of working drawings and with

the site development phases of construction for the Los Angeles Mission College campus. The project shall proceed in accordance with the project scope which was approved by the Board of Governors of the California Community Colleges in December 1982, as follows:

Working drawings and construct off-site development	\$612,000
Working drawings and construct on-site development, phase I.....	\$549,000
Working drawings for learning resources center and student services building .....	\$200,000
Working drawings for instructional and administration building.....	\$330,000

The working drawings and site development phases of construction shall be funded with proceeds from the sale, lease, trade, or encumbrance of surplus property known as the Northwest Valley site, consisting of 79.2 acres of land located at Devonshire and Wilbur in Northridge, California, which was originally intended as the site for a college to serve the population which is now to be served by the Los Angeles Mission College. Proceeds from the sale, lease, trade, or encumbrance of the property shall be used exclusively for the purpose of developing and equipping facilities for the permanent campus of the Los Angeles Mission College.

Funds extended by the Los Angeles Community College District in excess of the district's matching requirement of 43.25% for 1983-84 computed pursuant to provisions of Section 81838 of the Education Code, shall be credited against the future matching requirements of the district toward the completion of the Los Angeles Mission College campus. The project is subject to provisions of statutes requiring review and approval of the State Public Works Board or the Department of Finance.

(b) No appropriation is made and no reimbursement is required by subdivision (a) of this section pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because subdivision (a) is in accordance with the request of the Los Angeles Community College District which desired legislative authority to carry out the program specified in subdivision (a).

(c) Subdivision (a) shall become operative only if the Governing Board of the Los Angeles Community College District, on or before September 1, 1983, files with the State Board of Control and with the Assembly and Senate of the State of California a declaration that authority, as provided for in subdivision (a), is at the request of the district, and that the district disclaims any claims for reimbursement from the state for any costs incurred as a result of subdivision (a).

SEC. 151.4. It is the intent of the Legislature that all items of appropriation be subject to annual review. The Legislature and the Governor recognize, however, that the public good may be best

served by allowing certain items of appropriation to be continuously appropriated. Continuous appropriation status in no way removes the revenue or expenditures in these funds from annual adjustment in the Budget Act.

The following criteria for which items should be continuously appropriated shall be used by the Legislature and the Executive Branch in the future in determining which items should be exempt from being continuously appropriated:

(a) Bond funds and funds which derive revenues from the proceeds of bond sales may be continuously appropriated without regard to fiscal year for the purpose of payment of principal and interest.

(b) Feeder funds through which revenues are allocated to secondary funds or local government for expenditure shall be continuously appropriated.

(c) Proprietary and fiduciary funds from which tax refunds are made shall be continuously appropriated without regard to fiscal year.

(d) Proprietary and fiduciary funds which do not contain General Fund moneys and for which the state serves only as a trustee may be continuously appropriated.

(e) Appropriations which would result in clearly demonstrable undue programmatic, administrative, or legal problems due to annual appropriation in the Budget Act may be considered for continuous appropriation.

The Department of Finance shall annually, in the presentation of the Governor's Budget, provide the Legislature with a review of which funds are continuously appropriated, and suggest changes to the appropriation status to conform to this policy.

SEC. 151.5 (a) Of the funds appropriated for special education local assistance for the 1983-84 and 1984-85 fiscal years, up to one hundred fifty thousand dollars (\$150,000) shall be available each year for the lease or rental of temporary classroom facilities for special education programs to school districts and county offices of education that meet the following criteria:

(1) The local education agency must have a support services quotient for the 1980-81 fiscal year greater than 1.5 times the statewide average quotient computed pursuant to subdivision (a) of Section 56737 of the Education Code.

(2) The local education agency's 1979-80 fiscal year total special education costs, computed pursuant to Section 56732 of the Education Code, must include costs for the rent or lease of temporary classroom facilities for special education.

(3) The local education agency must have certification from the State Allocation Board that no suitable alternative classroom facilities are available.

(b) Local education agencies meeting all of the criteria in subdivision (a) may apply to the Superintendent of Public Instruction for an allocation of funds.

(c) If the allocations approved pursuant to this section exceed the funds available, such allocation shall be reduced on a pro rata basis.

(d) Allocations made pursuant to this section shall be subject to any statewide deficit in the appropriation for special education.

SEC. 151.6. Section 74 of Chapter 1201 of the Statutes of 1982 is amended to read:

Sec. 74. (a) For the 1982–83 and 1983–84 fiscal years only, the state shall not fund instructional personnel services units in special education local plan areas for programs operated pursuant to Part 30 (commencing with Section 56000) of the Education Code in excess of the number of such units operated and funded at the second principal apportionment for the preceding fiscal year, including units serving pupils in licensed children's institutions.

This restriction shall not apply to any of the following:

(1) Programs transferred between special education local plan areas, provided the transfers are subject to the provisions of Section 56828 of the Education Code.

(2) Units added by special education local plan areas to accommodate students who were served by nonpublic schools during the preceding fiscal year, if the state reimbursement for those units does not exceed the state reimbursement for nonpublic school costs for those students during the preceding fiscal year.

(3) Units for which funding is appropriated in the annual Budget Act.

(b) Each local plan area shall report to the county superintendent of schools the number of instructional personnel services units to which the local plan area is entitled, but which it will not utilize in any fiscal year. The county superintendent may redistribute those units for the fiscal year in which they were reported to other local plan areas within the county according to the following priorities:

(1) Units needed as a result of increased numbers of individuals with exceptional needs placed in licensed children's institutions and foster homes within a local plan area.

(2) Units needed due to increased enrollment within the local plan area.

The redistribution of units among local plan areas within a county shall be reported as transfer units and shall be subject to the provisions of Section 56828 of the Education Code.

SEC. 151.7. Notwithstanding any other provisions of law, the Superintendent of Public Instruction shall recalculate the 1980–81 revenue limit of any school district which had a positive correction in that year for the prior fiscal year and because of the minimum guarantee calculation did not receive the full amount of that correction. This recalculation shall be done as part of the 1983–84 principal apportionments.

SEC. 151.8. Section 61 of Chapter 10 of the 1983–84 First Extraordinary Session is repealed.

SEC. 151.9. Notwithstanding any other provisions of law, the unencumbered balance of Item 053-001-001 of the Budget Act of 1981

relating to the implementation of a problem-oriented medical information system (PROMIS) in Contra Costa County, is hereby reappropriated to the Department of Health Services for the purposes provided in that appropriation, and shall be available for expenditure until June 30, 1984.

SEC. 151.10. There shall be established by July 1, 1983, a California Committee on Emergency Food Distribution. The committee shall submit to the Joint Legislative Budget Committee by August 15, 1983, a plan for coordinated emergency food distribution utilizing all federal funding intended for this purpose under the Emergency Jobs Act, Public Law 98-8. The plan shall include provisions for:

(a) Articulation between the following four food programs under the Federal Emergency Jobs Act:

(1) Emergency Food and Shelter funds administered by voluntary organizations.

(2) Emergency Food and Shelter funds allocated through the Department of Social Services.

(3) Agricultural commodities distributed to food banks for household consumption by needy families.

(4) Agricultural commodities provided to local organizations for preparation of congregate meals in areas of high unemployment.

(b) Timely, efficient, and equitable food distribution and assistance, consistent with the provisions of Public Law 98-8.

(c) Assuring utilization of all federal resources designated for this purpose and assuring that no such resources are returned to the Federal Government on September 30, 1983, as a result of not being allocated by the state on a timely basis.

The Committee on Emergency Food Distribution shall provide progress reports on program implementation to the Joint Legislative Budget Committee on the first and fifteenth days of August, September, October, and November, and a final report no later than December. Each report shall indicate progress-to-date in distribution of available commodities, expenditures by major category, unexpended funds, and anticipated actions to assure maximally efficient food distribution and utilization of all federal resources intended for this purpose under the Emergency Jobs Bill.

The committee shall include, but need not be limited to, representatives of the following state entities designated by the directors of the respective agencies and responsible for management of food programs:

(1) The Department of Food and Agriculture.

(2) The Department of Social Services.

(3) The Department of Education.

(4) The Office of Economic Opportunity.

(5) The Department of Aging.

(6) A representative of the United Way of California.

(d) The plan for coordinated emergency food distribution to be submitted to the Joint Legislative Budget Committee by August 15,



1983, shall include:

(1) Roles and responsibilities of each of these entities in the emergency food distribution programs.

(2) Critical actions and timelines of each entity between June 15, 1983, and December 1, 1983.

(3) A management plan aimed at ensuring coordination among principal state and local entities involved in the emergency food distribution programs.

SEC. 151.11. Section 1 of Chapter 523 of the Statutes of 1982 is amended to read:

Section 1. The Legislature finds and declares the following:

(a) The dismissal of various state civil service employees and employees of the California State University and the University of California during the wartime years of World War II was based largely on fear and suspicion rather than on factual justification therefor.

(b) Various dismissals resulted directly or indirectly from the enactment of Senate Concurrent Resolution 15 (Res. Ch. 49, Stats. 1941-42, 1st Ex. Sess.), which called into question the loyalty of state employees, particularly those with dual citizenship, and their children, and called for the dismissal of those persons from, or prevented them from obtaining, state employment based upon their disloyalty.

(c) It is fair and just that reparations should be made to those employees who were terminated from state civil service, the California State University, and the University of California during the wartime years as a result of the enactment of SCR 15.

(d) To this end, the Legislature finds that equity and fairness will be served by authorizing the filing of claims with the state for salary losses suffered by the civil service employees and employees of the California State University and the University of California directly affected, and authorizing the payment thereof, subject to the provisions of this act.

SEC. 151.12. Section 2 of Chapter 523 of the Statutes of 1982 is amended to read:

Sec. 2. Any person who, due to the enactment of SCR 15, was dismissed, terminated from a temporary position, rejected during his or her probationary period, or voluntarily resigned in lieu of dismissal from state civil service, the California State University, or the University of California and who incurred salary losses as a result thereof, is eligible to file a claim with the state for the reparation of those losses. Claims must be postmarked by May 15 of each year.

SEC. 151.13. Notwithstanding any other provisions of law, the unencumbered balance in the Genetic Disease Testing Fund shall be available to repay any existing loans made to the fund from the General Fund.

SEC. 151.14. Funding for the Graduate Field Research Training Program in Ethnic/Minority Communities at the University of California shall be maintained at its 1982-83 fiscal year level for the

1983-84 fiscal year.

SEC. 151.15. The Calaveras Fire Center shall be operated only as a joint fire center by the California Department of Forestry and the California Conservation Corps.

This section shall remain in effect only until July 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends that date.

SEC. 151.16. State officers whose salaries are specified by statute shall receive salary increases in such amounts as authorized by the Budget Act of 1983 for such officers, during the 1983-84 fiscal year in the same manner as specified in Item 9800-001-001 of the 1983 Budget Act, pursuant to Section 11569 of the Government Code, to be allocated from Item 9800-001-001, Item 9800-001-494, and Item 9800-001-988 of the Budget Act of 1983.

SEC. 151.17. (a) The Executive Branch shall conduct public hearings to take input on the use of Federal Revenue Sharing funds in the 1983-84 fiscal year. These hearings shall be followed by public hearings conducted by the Senate Committee on Finance and the Assembly Committee on Ways and Means. Upon completion of those hearings, Federal Revenue Sharing funds shall be appropriated as described in (b), unless the Legislature decides otherwise.

(b) The sum of five million four hundred thousand dollars (\$5,400,000) and, in addition thereto, any remaining unexpended balance, is hereby appropriated from the Federal Reserve Sharing Fund to the General Fund, for transfer by the Controller at such times and in such amounts as are needed for Item 5180-111-001 of the Budget Act of 1983 and Program 10.08 in augmentation of the state's share of the State Supplementary Payment Program for aged, blind, and disabled persons, payable from the Federal Revenue Sharing Fund.

SEC. 151.18. Section 4 of Chapter 322 of the Statutes of 1982, as amended by Section 38 of Chapter 10 of the 1983-84 First Extraordinary Session, is amended to read:

Sec. 4. There is hereby appropriated to the Secretary of the Business, Transportation and Housing Agency from the Transportation Planning and Development Account in the State Transportation Fund, the sum of one hundred fifty-eight million dollars (\$158,000,000) for allocation in the 1982-83 and 1983-84 fiscal years pursuant to the following sections of the Public Utilities Code:

(a) Section 99313	
Fiscal year 1982-83 .....	\$49,000,000
Fiscal year 1983-84 .....	\$61,600,000
(b) Section 99314	
Fiscal year 1982-83 .....	\$21,000,000
Fiscal year 1983-84 .....	\$26,400,000

SEC. 151.19. In addition to amounts transferred pursuant to Section 7102 of the Revenue and Taxation Code or any other

provision of law, the Controller, during the 1983-84 fiscal year, shall transfer from the Transportation Planning and Development Account in the State Transportation Fund fifteen million dollars (\$15,000,000) to the General Fund.

SEC. 151.20. (a) The Director of General Services, with the approval of the State Public Works Board, is hereby authorized to sell for current market value, or for any lesser consideration authorized by law, and upon those terms and conditions and with such reservations and exceptions which in his or her opinion may be in the best interest of the state, all or any part of the following real property:

PARCEL 1. Approximately 101.2 acres of land located at Napa State Hospital being south of Imola Avenue and east of state highway #29 and currently known as the Basalt Products Division of Dillingham Heavy Construction, Inc., in the County of Napa.

PARCEL 2. Approximately 40 acres of land located at Sonoma State Hospital along the facility's east boundary line adjacent to Highway #12 in Sonoma County.

(b) Notice of every public auction or bid opening shall be posted on the property to be sold and shall be published in a newspaper of general circulation published in the county in which the real property to be sold is situated. All parcels in this section are exempt from the provisions of Sections 21100 to 21174, inclusive, of the Public Resources Code.

(c) Any cost or expense incurred in the disposition of any parcels may be reimbursed from the proceeds of that disposition.

(d) Subject to the provisions of subdivision (c) of this section, any moneys received from the disposition of any parcel in this section shall be paid into the General Fund.

(e) As to any property sold pursuant to this section containing 10 acres or less, the Director of General Services shall except and reserve to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, below a depth of 500 feet, without surface rights or entry. As to any such property sold containing more than 10 acres, the Director of General Services shall except and reserve in the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits. The rights to prospect for, mine, and remove shall be limited to those areas of property conveyed which the director determines to be reasonably necessary for the removal of the resources and deposits.

SEC. 151.21. It is the intent of the Legislature that the Department of Developmental Services continue to seek approval of a Medicaid waiver as authorized by Section 2176 of the Omnibus Budget Reconciliation Act (Public Law 97-35). The waiver would allow further expansion of federal financial participation under Medi-Cal for the delivery of home and community-based care services for persons with developmental disabilities.

SEC. 151.23. Notwithstanding any other provision of law, if the Agricultural Labor Relations Board budget for the 1983-84 fiscal year

is reduced by more than the average reduction of all state agencies for the 1983–84 fiscal year from their 1982–83 fiscal year budget appropriations, the appropriation for the Program Evaluation Unit in the Department of Finance for the 1983–84 fiscal year shall be reduced to an amount equal to ten percent of its appropriation for the 1982–83 fiscal year.

SEC. 151.24. If Item 3720-001-001 of the Budget Act of 1983 is reduced by the Governor, the California Coastal Commission shall evaluate its program requirements and its ability to meet statutory mandates set forth in Division 20 (commencing with Section 30000) of the Public Resources Code with the authorized funding and positions that remain. If the commission determines that the positions remaining based on the level of funding approved by the Governor is inadequate to allow the timely performance of all mandated and authorized activities set forth in Division 20 (commencing with Section 30000) of the Public Resources Code, the commission may, by resolution, extend any time limit established pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code, except for those time limits set forth in Sections 30301.2, 30304, 30312, 30313, 30801, and 30802 of the Public Resources Code. The commission shall not extend any time limit pursuant to this section for more than 60 days for permit matters and 180 days for all other matters and in no event beyond 90 days following June 30, 1984. If the commission adopts a resolution extending any time limit pursuant to this section, it shall immediately report its act to the fiscal committees of the Legislature. The report shall describe the commission's action and set forth the necessity for this action. Any resolution adopted pursuant to this provision shall not be subject to review under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code. The time limits established in Section 15378 and Article 5 (commencing with Section 65950) of Chapter 4.5 of Division 1 of Title 7 of the Government Code shall be tolled for the period of any extension, affecting the review of coastal development permits. The tolling shall extend from the date of adoption of the resolution of extension until the extension expires.

SEC. 151.27. Temporary housing for state prison inmates shall not be erected or located at any existing facility of the Department of Corrections or the Department of Youth Authority in San Bernardino County.

SEC. 151.28. Of the federal Jobs Bill money appropriated in Item 4260-111-890 and Item 5180-151-866 of the Budget Act of 1983 pursuant to HR 1718, federal statutes of 1983, the money shall be allocated as follows:

(a) Eleven million dollars (\$11,000,000) of Title XX funds for In-Home Supportive Services.

(b) Five hundred seventy-two thousand dollars (\$572,000) of Title XX funds for the Other County Social Services Program to supplement the county allocation for 1983–84.

(c) One hundred thousand dollars (\$100,000) of Title XX funds for the Deaf Access Program.

(d) Six million dollars (\$6,000,000) of Title XX funds for child care programs pursuant to legislation passed in the 1983–84 Regular Session.

(e) Nine million four hundred twenty-eight thousand dollars (\$9,428,000) of Title XX funds to offset the In-Home Supportive Services to partially offset General Fund costs of action on the foster care sharing ratio under Item 5180-101-001 of the Budget Act of 1983 (no effect on total funding for IHSS).

(f) Four million seven hundred thousand dollars (\$4,700,000) of the Maternal and Child Health funds for perinatal projects pursuant to Chapter 1112 of the Statutes of 1982.

SEC. 151.29. For the purposes of Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of the Education Code, “agricultural vocational education equipment” shall mean any nonsalary item of expenditure, including capital outlay, for approved vocational agriculture programs.

Notwithstanding any other provision of law, any requirement of this act or any act chaptered during the 1983–84 fiscal year that a school district contribute local matching funds to be eligible for state funds for nonsalary costs of vocational agriculture programs may be waived by the Superintendent of Public Instruction if he or she finds that a matching requirement would create a financial hardship for the school district.

This section shall become operative only if Senate Bill No. 813 of the 1983–84 Regular Session is chaptered.

SEC. 151.30. Notwithstanding Section 3525 of the Elections Code or any other provision of law to the contrary, Assembly Constitutional Amendment 74 (Res. Ch. 181, Stats. 1982) shall appear on the ballot at the June 5, 1984, Direct Primary Election.

SEC. 151.31. The provisions of the following memoranda of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organizations on the dates listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

(a) Unit 5—California Association of Highway Patrolmen, dated July 13, 1983.

(b) Unit 6—California Correctional Peace Officers Association, dated July 7, 1983.

(c) Unit 8—California Department of Forestry Employees’ Association, dated June 30, 1983.

(d) Unit 13—International Union of Operating Engineers, Stationary Engineers Division, dated June 30, 1983.

(e) Unit 16—Union of American Physicians and Dentists, dated June 30, 1983.

SEC. 151.32. Notwithstanding Section 3517.6 of the Government Code, for the 1983–84 fiscal year only, the provisions of any

memorandum of understanding that requires the expenditure of funds shall become effective even if the memorandum of understanding is approved by the Legislature in legislation other than the annual Budget Act.

SEC. 151.33. It is the intent of the Legislature, if this bill and Assembly Bill 490 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 16709 of the Welfare and Institutions Code, and this bill is chaptered after Assembly Bill 490, that Section 16709 of the Welfare and Institutions Code, as amended by Section 2 of Assembly Bill 490, be further amended on the effective date of this act in the form set forth in Section 132.4 of this act to incorporate the changes in Section 16709 proposed by this bill. Therefore, if this bill and Assembly Bill 490 are both chaptered and become effective on or before January 1, 1984, and Assembly Bill 490 is chaptered before this bill and amends Section 16709, Section 132.4 of this act shall become operative on the effective date of this act and Section 132.3 of this act shall not become operative.

SEC. 151.34. If this bill and Senate Bill 813 are both enacted and chaptered and, as chaptered, both bills amend Section 42238 of the Education Code, and this bill is chaptered after Senate Bill 813, the provisions of Section 42238 of the Education Code as amended by Senate Bill 813 shall prevail.

SEC. 151.35. The State Board of Control is authorized to pay the claim of Beatrice Carrico Wood against the State of California as approved by the board under its claim number 68280.

SEC. 151.36. It is the intent of the Legislature that funds transferred in compliance with Section 19.22 of Chapter 326, Statutes of 1982, shall be appropriated to the 48th District Agricultural Association at such time as projected general fund revenues provide a surplus sufficient to fund the amount of the transfer.

SEC. 151.37. Unless otherwise provided, the provisions of this act shall be deemed to have become effective on July 1, 1983.

SEC. 152. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in certain provisions of this act which, in the aggregate, do not result in additional net costs.

SEC. 153. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by certain provisions of this act.

SEC. 154. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is

recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 155. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

SEC. 156. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 157. The provisions of this act shall not become operative unless and until the Budget Act of 1983 becomes law.

SEC. 158. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act, which would provide necessary statutory adjustments to implement the Budget Act of 1983, may take effect during the 1983-84 fiscal year, it is necessary that this act take effect immediately.

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## CHAPTER 324

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1983, Filed with  
Secretary of State July 21, 1983]

I object to the following appropriations contained in Senate Bill No 123:

Item 0250-301-036—For capital outlay, Judicial Council I reduce this item from \$190,000 to \$35,000.

I am reducing this item to \$35,000 to provide security improvements for the California Supreme Court Building in San Francisco. Deferral of the remaining minor improvements for the 1983-84 fiscal year will not have a detrimental effect on ongoing state programs nor will it result in a compromise of public safety or the loss or deterioration of the state's investment

Item 0500-001-001—For support of the Governor's Office. I reduce this item from \$4,809,000 to \$4,714,000 by reducing

(a) Support from \$4,252,000 to \$4,157,000.

This reduction includes \$17,000 for merit salary adjustments that can be funded through existing resources, and \$78,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0510-001-001—For support of the State and Consumer Services Agency. I reduce this item from \$546,000 to \$534,000 by reducing:

(a) Support from \$997,000 to \$985,000.

This reduction includes \$6,000 for merit salary adjustments that can be funded through existing resources, and \$6,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0520-001-001—For support of the Business, Transportation and Housing Agency for transfer to Item 0520-001-044. I reduce this item from \$293,000 to \$285,000.

This reduction of \$8,000 includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0520-001-044—For support of the Business Transportation, and Housing Agency. I reduce this item from \$479,000 to \$470,000 by reducing:

(a) Support from \$1,216,000 to \$1,199,000 and

(b) Amount payable from the General Fund from —\$293,000 to —\$285,000.

This reduction of \$9,000 includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$6,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0530-001-001—For support of the Secretary for Health and Welfare. I reduce this item from \$5,669,000 to \$5,636,000 by reducing

(a) Support from \$11,058,000 to \$11,025,000.

This reduction includes \$11,000 for merit salary adjustments that can be funded through existing resources, and \$22,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0540-001-001—For support of the Secretary of Resources. I reduce this item from \$1,045,000 to \$1,031,000 by reducing:

(a) 10-Administration of Resources Agency from \$1,183,000 to \$1,169,000.

This \$14,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0550-001-001—For support of the Youth and Adult Correctional Agency. I reduce this item from \$610,000 to \$598,000

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0570-001-001—For support of the Governor's Council on Wellness and Physical Fitness I eliminate this item.

In order to eliminate duplicative services, I am eliminating all funds for the Governor's Council on Wellness and Physical Fitness This action leaves the Department of Health Services solely responsible for developing state policy and programs involving preventative health issues.

Item 0580-001-001—For support of the Office of California/Mexico Affairs. I reduce this unscheduled item from \$180,000 to \$178,000.

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0585-001-001—For support of the California State World Trade Commission I reduce this unscheduled item from \$417,000 to \$412,000

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0585-001-981—For support of the California State World Trade Commission. I reduce this unscheduled item from \$417,000 to \$412,000.

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0650-001-001—For support of the Office of Planning and Research. I reduce this item from \$3,028,000 to \$2,994,000 by reducing:

(a) State Planning and Policy Development from \$3,456,000 to \$3,422,000.

This reduction includes \$34,000 for merit salary adjustments that can be funded through existing resources.



I am eliminating Provision #2 in the control language which denies authority for a Coastal Planning Unit and related activities in the Office of Planning and Research because the language infringes on my executive prerogative to independently study and monitor policy issues and because it constitutes substantive legislation in violation of the one subject rule pursuant to Article IV, Section 9 of the Constitution.

Item 0660-101-890—For local assistance, Office of Economic Opportunity. I am eliminating provision #3 in control language for this item.

I am eliminating provision #3 in control language because it limits my Administration's flexibility in the allocation of state discretionary funds for the federal community services block grant.

Item 0690-001-001—For support of the Office of Emergency Services I reduce this item from \$4,468,000 to \$4,395,000 by reducing:

- (a) Personal Services from \$2,257,000 to \$2,235,000,
- (b) Operating Expenses and Equipment from \$2,266,000 to \$2,215,000.

This reduction includes \$22,000 for merit salary adjustments that can be funded through existing resources, and \$51,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0750-001-001—For support of the Office of the Lieutenant Governor I reduce this item from \$1,044,000 to \$1,018,000 by reducing:

- (a) Personal Services from \$754,000 to \$742,000 and
- (b) Operating Expenses and Equipment from \$316,000 to \$302,000.

This reduction includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$14,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0750-001-465—For support of the Office of the Lieutenant Governor. I eliminate this item.

The Solar Cal Council on local energy and economic security duplicates the functions performed by other state agencies.

Item 0820-001-001—For support of the Department of Justice I reduce this item from \$88,466,000 to \$86,717,000 by reducing.

- (a) 10 01-Executive from \$2,542,000 to \$2,507,000,
- (b) 10.01-Distributed Executive from —\$2,542,000 to —\$2,507,000,
- (c) 20-Special Program from \$3,919,000 to \$3,849,000,
- (d) 30-Civil Law from \$19,994,000 to \$19,679,000,
- (e) 40-Criminal Law from \$16,336,000 to \$16,073,000,
- (ee) 45-Public Rights from \$10,560,000 to \$10,385,000,
- (f) 50-Law Enforcement from \$56,795,000 to \$55,869,000,
- (g) 60.01-Administration from \$25,025,000 to \$24,622,000 and
- (h) 60.02-Distributed Administration from —\$25,025,000 to —\$24,622,000.

This reduction included \$998,000 for merit salary adjustments that can be funded through existing resources, and \$751,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also eliminating 10 attorney positions as a result of efficiencies stemming from greater use of paralegals in 1983-84.

Item 0820-001-012—For support of the Department of Justice. I reduce this item for the Public Rights Program from \$922,000 to \$908,000.

This \$14,000 reduction is for merit salary adjustments that can be funded through existing resources.

Item 0820-001-017—For support of the Department of Justice. I reduce this item for the Law Enforcement Program from \$5,627,000 to \$5,553,000.

This reduction includes \$54,000 for merit salary adjustments that can be funded through existing resources, and \$20,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0820-001-044—For support of the Department of Justice. I reduce this item for the Law Enforcement Program from \$10,031,000 to \$9,936,000.

This reduction includes \$68,000 for merit salary adjustments that can be funded through existing resources, and \$27,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0820-001-460—For support of the Department of Justice I reduce this item for the Law Enforcement Program from \$673,000 to \$661,000

This reduction includes \$7,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0820-001-465—For support of the Department of Justice. I eliminate this item

I am eliminating this item because I believe that utility rate litigation can be conducted satisfactorily from existing resources in the Department of Justice. In addition, I believe that the Public Utilities Commission has the primary constitutional responsibility to approve fair and equitable rates

Item 0840-001-001—For support of the State Controller I reduce this item from \$38,409,000 to \$37,390,000 by reducing:

- (a) Personal Services from \$33,887,000 to \$33,207,000,
- (b) Operating Expenses and Equipment from \$16,517,000 to \$15,976,000,
- (d) Reimbursements from —\$8,973,000 to —\$8,837,000,
- (e) Amount payable from the Aeronautics Account, State Transportation Fund (Item 0840-001-041) from —\$219,000 to —\$215,000,
- (f) Amount payable from the Motor Vehicle Account, Transportation Tax Fund (Item 0840-001-061) from —\$1,883,000 to —\$1,848,000,
- (g) Amount payable from the State School Building Aid Fund (Item 0840-001-739) from —\$287,000 to —\$282,000,
- (h) Amount payable from the Federal Trust Fund (Item 0840-001-890) from —\$540,000 to —\$520,000, and
- (i) Amount payable from non-governmental cost funds, Retail Sales Tax Fund (Item 0840-001-988) from —\$123,000 to —\$121,000

This reduction includes \$356,000 for merit salary adjustments that can be funded through existing resources, and \$296,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

I am reducing \$217,000 and 55 positions for review of county cost plans. The reduced level of staffing can still carry out the program

I am also eliminating a legislative augmentation of \$75,000 to provide Fiduciary Advice Existing state staff can provide needed assistance

I am also eliminating a legislative augmentation of \$75,000 for 1 position in the Senior Citizens' Property Tax Deferral Program. Existing staff can handle the work required by this program.

Item 0840-001-041—For support of the State Controller I reduce this item from \$219,000 to \$215,000.

This reduction eliminates \$2,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0840-001-061—For support of the State Controller I reduce this item from \$1,883,000 to \$1,848,000

This reduction includes \$21,000 for merit salary adjustments that can be funded through existing resources, and \$14,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0840-001-739—For support of the State Controller I reduce this item from \$287,000 to \$282,000

This reduction includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0840-001-890—For support of the State Controller I reduce this item from \$540,000 to \$520,000

This reduction includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0840-001-988—For support of the State Controller. I reduce this item from \$123,000 to \$121,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded

through existing resources, and \$1,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0860-001-001—For support of the Board of Equalization I reduce this item from \$70,711,000 to \$68,720,000 by reducing:

- (a) Personal Services from \$80,747,000 to \$79,840,000,
- (b) Operating Expenses and Equipment from \$21,942,000 to \$20,693,000,
- (d) Amount payable from the Energy Resources Programs Account, General Fund (Item 860-001-465) from -\$72,000 to -\$70,000,
- (e) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022) from -\$76,000 to -\$74,000,
- (f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061) from -\$3,656,000 to -\$3,564,000,
- (g) Amount payable from the Timber Tax Fund (Item 0860-001-965) from -\$1,679,000 to -\$1,633,000, and
- (h) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 0860-001-064) from -\$1,010,000 to -\$987,000

This reduction includes \$423,000 for merit salary adjustments that can be funded through existing resources, \$1,148,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate, and a reduction of \$420,000 and 24 positions added by the Legislature for the collection of delinquent sales and use taxes. I believe the Board can increase collection activities by reevaluating priorities and redirecting the efforts of existing staff

Item 0860-001-022—For support of the Board of Equalization I reduce this item from \$76,000 to \$74,000

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$1,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0860-001-061—For support of the Board of Equalization I reduce this item from \$3,656,000 to \$3,564,000

This reduction includes \$48,000 for merit salary adjustments that can be funded through existing resources, and \$44,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0860-001-064—For support of the Board of Equalization. I reduce this item from \$1,010,000 to \$987,000.

This reduction includes \$13,000 in merit salary adjustments that can be funded through existing resources, and \$10,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0860-001-465—For support of the Board of Equalization I reduce this item from \$72,000 to \$70,000

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$1,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0860-001-965—For support of the Board of Equalization I reduce this item from \$1,679,000 to \$1,633,000

This reduction includes \$20,000 for merit salary adjustments that can be funded through existing resources, and \$26,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0890-001-001—For support of the Secretary of State I reduce this item from \$12,698,450 to \$12,556,450 by reducing

- (a) Personal Services from \$7,351,423 to \$7,298,423,
- (b) Operating Expenses and Equipment from \$3,522,277 to \$3,433,277.

This reduction includes \$53,000 for merit salary adjustments that can be funded through existing resources, and \$89,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 0950-001-001—For support of the State Treasurer I reduce this item from \$3,274,000 to \$3,201,000 by reducing

- (a) Personal Services from \$3,747,000 to \$3,712,000,
- (b) Operating Expenses and Equipment from \$1,360,500 to \$1,322,500.

This reduction includes \$35,000 for merit salary adjustments that can be funded through existing resources, and \$38,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 0970-001-171—For support of California Debt Advisory Commission. I reduce this item from \$634,000 to \$616,000 by reducing:

- (a) Personal Services from \$347,065 to \$343,065
- (b) Operating Expenses and Equipment from \$305,935 to \$291,935.

The reductions include \$4,000 for merit salary adjustments that can be funded through existing resources, and \$14,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1100-001-001—For support of the Museum of Science and Industry. I reduce this item from \$4,789,000 to \$4,735,000 by reducing:

- (a) Personal Services from \$3,749,000 to \$3,745,000,
- (b) Operating Expenses and Equipment from \$1,059,000 to \$1,009,000.

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$50,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1120-001-704—For support of the Board of Accountancy. I reduce this item from \$2,203,000 to \$2,011,000 by reducing:

- (a) 3-Board of Accountancy from \$2,218,000 to \$2,026,000.

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$68,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing \$120,000 for increased enforcement because the need for these funds and the additional positions created have not been demonstrated.

Item 1130-004-706—For support of the California State Board of Architectural Examiners. I reduce this item from \$1,206,000 to \$1,165,000 by reducing.

- (a) 6-Board of Architectural Examiners from \$1,213,000 to \$1,172,000

This \$41,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1140-006-001—For support of the State Athletic Commission. I eliminate this item.

I am eliminating this item because the amendments to Section 18632 of the Business and Professions Code in the budget trailer bill, AB 223, create an alternate authority for cash flow loans to the Athletic Commission Fund which can be allocated in any amount up to the amount in this item. In order to avoid the unnecessary appropriation of critically needed General Fund dollars, I am proposing to use the alternate statutory authority for loan of any amounts actually required for cash flow purposes.

Item 1140-006-126—For support of the State Athletic Commission. I reduce this item from \$432,000 to \$419,000.

This \$13,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1150-008-128—For support of the Bureau of Automotive Repair, Department of Consumer Affairs. I reduce this item from \$4,410,000 to \$4,317,000 by reducing:

- (a) 12-Bureau of Automotive Repair from \$7,617,000 to \$7,434,000 and
- (b) Reimbursement from -\$3,207,000 to -\$3,117,000

This reduction includes \$9,000 for merit salary adjustments that can be funded through existing resources, and \$84,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1150-008-420—For support of the Bureau of Automotive Repair, Department of Consumer Affairs. I reduce this item from \$11,407,000 to \$11,265,000.

I am reducing \$142,000 for support of 3.9 personnel years for mechanics training because an eight hour course rather than a 16 hour course is sufficient to provide the required instruction.

Item 1160-010-713—For support of the State Board of Barber Examiners. I reduce this item from \$689,800 to \$667,800 by reducing.

- (a) 15-State Board of Barber Examiners from \$692,800 to \$670,800

This \$22,000 reduction is for operating cost increases no longer anticipated because

of a significant reduction in the inflation rate.

Item 1170-012-773—For support of the Board of Behavioral Science Examiners of the State of California. I reduce this item from \$591,000 to \$573,000 by reducing:

- (a) 18-Board of Behavioral Science Examiners from \$606,000 to \$588,000.

This reduction includes \$4,000 in merit salary adjustments that can be funded through existing resources, and \$14,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1180-014-717—For support of the Cemetery Board. I reduce this item from \$220,000 to \$214,000.

This reduction includes \$1,000 in merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1200-016-157—For support of the Bureau of Collection and Investigative Services, Department of Consumer Affairs I reduce this item from \$571,000 to \$551,000 by reducing:

- (a) 24.10.010-Collection Agencies from \$592,000 to \$571,000 and
- (b) Reimbursements from —\$17,000 to —\$16,000

This reduction includes \$7,000 for merit salary adjustments that can be funded through existing resources, and \$13,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1210-018-769—For support of the Bureau of Collection and Investigative Services, Department of Consumer Affairs. I reduce this item from \$2,479,000 to \$2,424,000 by reducing.

- (a) 24.20-Private Investigators from \$3,041,000 to \$2,961,000 and
- (b) Reimbursements from —\$562,000 to —\$537,000.

This reduction includes \$14,000 for merit salary adjustments that can be funded through existing resources, and \$41,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1230-020-735—For support of the Contractors' State License Board. I reduce this item from \$15,387,000 to \$15,126,000 by reducing.

- (a) 30-Contractors' State License Board from \$15,430,000 to \$15,169,000.

This \$261,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1240-022-738—For support of the State Board of Cosmetology. I reduce this item from \$2,355,000 to \$2,271,000 by reducing:

- (a) 33-State Board of Cosmetology from \$2,368,000 to \$2,284,000

This reduction includes \$15,000 for merit salary adjustments that can be funded through existing resources, and \$69,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1260-024-741—For support of the Board of Dental Examiners of California. I reduce this item from \$1,863,000 to \$1,804,000 by reducing:

- (a) 36-Board of Dental Examiners from \$1,873,000 to \$1,814,000.

This reduction includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$47,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1270-026-380—For support of the Board of Dental Examiners of California. I reduce this item from \$435,000 to \$420,000 by reducing

- (a) 36-Board of Dental Examiners from \$438,000 to \$423,000.

This reduction includes \$1,000 in merit salary adjustments that can be funded through existing resources, and \$14,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1280-028-325—For support of the Bureau of Electronic and Appliance Repair, Department of Consumer Affairs I reduce this item from \$965,000 to \$937,000.

This reduction includes \$8,000 for merit salary adjustments that can be funded through existing resources, and \$20,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1300-030-180—For support of the Bureau of Employment Agencies,

Department of Consumer Affairs I reduce this item from \$523,000 to \$510,000 by reducing.

(a) 42.10.010-Employment Agencies from \$528,000 to \$515,000.

This \$13,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1310-032-258—For support of the Nurses' Registry I reduce this item from \$18,000 to \$17,000

This \$1,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1320-034-745—For support of the State Board of Fabric Care I reduce this item from \$821,000 to \$785,000

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$32,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1330-036-750—For support of the State Board of Funeral Directors and Embalmers. I reduce this item from \$491,000 to \$479,000 by reducing:

(a) 48-State Board of Funeral Directors and Embalmers from \$494,000 to \$481,000 and

(b) Reimbursements from —\$3,000 to —\$2,000

This \$12,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1340-038-205—For support of the State Board of Registration for Geologists and Geophysicists. I reduce this item from \$153,000 to \$148,000

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1350-040-001—For support of the State Board of Guide Dogs for the Blind. I reduce this item from \$25,000 to \$23,000

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1360-042-752—For support of the Bureau of Home Furnishings, Department of Consumer Affairs I reduce this item from \$1,395,000 to \$1,358,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$36,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1370-044-757—For support of the California State Board of Landscape Architects I reduce this item from \$223,000 to \$213,000

This \$10,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1390-046-758—For support of the Board of Medical Quality Assurance of the State of California. I reduce this item from \$11,189,000 to \$10,885,000 by reducing

(a) 63.10.010-Board of Medical Quality Assurance from \$11,586,000 to \$11,280,000 and

(b) 63.10.020-Distributed Board of Medical Quality Assurance from —\$316,000 to —\$314,000

This reduction includes \$32,000 for merit salary adjustments that can be funded through existing resources, and \$272,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1400-048-108—For support of the Board of Medical Quality Assurance of the State of California I reduce this item from \$399,000 to \$387,000

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$11,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1410-050-208—For support of the Board of Medical Quality Assurance of the State of California I reduce this item from \$115,000 to \$111,000 by reducing:

(a) 63.30-Hearing Aid Dispenser's Examining Committee from \$118,000 to \$114,000.

This \$4,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1420-052-759—For support of the Board of Medical Quality Assurance of the State of California. I reduce this item from \$268,000 to \$260,000 by reducing.

(a) 63.40-Physical Therapy Examining Committee from \$272,000 to \$264,000.

This \$8,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1430-054-280—For support of the Board of Medical Quality Assurance of the State of California. I reduce this item from \$173,000 to \$166,000

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$6,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1440-056-295—For support of the Board of Medical Quality Assurance of the State of California. I reduce this item from \$297,000 to \$285,000 by reducing

(a) 63.60-Podiatry Examining Committee from \$300,000 to \$288,000.

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1450-058-310—For support of the Board of Medical Quality Assurance of the State of California. I reduce this item from \$649,000 to \$628,000 by reducing

(a) 63.70-Psychology Examining Committee from \$657,000 to \$636,000.

This reduction includes \$1,000 in merit salary adjustments that can be funded through existing resources, and \$20,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1460-060-376—For support of the Board of Medical Quality Assurance of the State of California. I reduce this item from \$160,000 to \$155,000 by reducing

(a) 62.80 010-Speech Pathology and Audiology Committee from \$162,000 to \$157,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$4,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1470-062-260—For support of the State Board of Examiners of Nursing Home Administrators. I reduce this item from \$249,000 to \$242,000 by reducing

(a) 66-State Board of Examiners of Nursing Home Administrators from \$252,000 to \$245,000

This \$7,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1480-064-763—For support of the State Board of Optometry I reduce this item from \$285,000 to \$274,000 by reducing:

(a) 69-Board of Optometry from \$288,000 to \$276,000 and

(b) Reimbursements from —\$3,000 to —\$2,000

This reduction includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$9,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1490-066-767—For support of the California State Board of Pharmacy I reduce this item from \$1,879,000 to \$1,841,000 by reducing

(a) 72-Board of Pharmacy from \$1,900,000 to \$1,861,000 and

(b) Reimbursement from —\$21,000 to —\$20,000

This \$38,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1500-068-770—For support of the State Board of Registration for Professional Engineers I reduce this item from \$2,257,000 to \$2,200,000 by reducing.

(a) 75-State Board of Registration for Professional Engineers from \$2,260,000 to \$2,203,000

This reduction includes \$15,000 for merit salary adjustments that can be funded through existing resources, and \$42,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1510-070-761—For support of the Board of Registered Nursing. I reduce this item from \$3,857,000 to \$3,738,000 by reducing:

(a) 78-Board of Registered Nursing from \$3,927,000 to \$3,808,000.

This reduction includes \$11,000 for merit salary adjustments that can be funded through existing resources, and \$108,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1520-072-771—For support of the Certified Shorthand Reporters Board. I reduce this item from \$197,000 to \$192,000 by reducing.

(a) 81-Certified Shorthand Reporters Board from \$200,000 to \$195,000.

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1530-074-775—For support of the Structural Pest Control Board. I reduce this item from \$1,899,000 to \$1,834,000

This \$65,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1560-078-777—For support of Board of Examiners in Veterinary Medicine. I reduce this item from \$469,000 to \$453,000 by reducing:

(a) 90.10.010-Board of Examiners in Veterinary Medicine from \$489,000 to \$473,000

This reduction includes \$1,000 for merit salary adjustments that can be funded from existing resources, and \$15,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1570-080-118—For support of the Board of Examiners in Veterinary Medicine I reduce this item from \$70,000 to \$68,000

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1590-082-779—For support of the Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California I reduce this item from \$1,632,000 to \$1,581,000 by reducing.

(a) 91.10.010-Vocational Nurses from \$1,679,000 to \$1,628,000.

This \$51,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1600-084-780—For support of the Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California. I reduce this item from \$388,000 to \$373,000

This reduction includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$13,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1640-086-001—For support of the Division of Consumer Services, Department of Consumer Affairs. I reduce this item from \$1,401,000 to \$999,000

This reduction includes \$17,000 for merit salary adjustments that can be funded through existing resources, and \$24,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am reducing \$145,000 added for three legal positions because they are not workload justified. I am also reducing \$56,000 added to support 3 new positions in the Consumer Cooperative Program, and \$160,000 with 6 positions for the Research and Special Projects Unit because I believe the current staff is sufficient at this time

Item 1640-086-702—For support of the Division of Consumer Services, Department of Consumer Affairs I reduce this item from \$570,000 to \$555,000.

This reduction includes \$6,000 for merit salary adjustments that can be funded through existing resources, and \$9,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1650-088-001—For support of the Consumer Advisory Council, Department of Consumer Affairs I reduce this item from \$79,000 to \$77,000

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1655-090-702—For support of the Department of Consumer Affairs. I reduce this item from \$1,612,000 to \$1,536,000 by reducing:

(a) 94.01 010-Division of Administration from \$6,269,000 to \$6,145,000,

(b) 94.01.020-Division of Investigation from \$3,271,000 to \$3,178,000,

(c) 94.01.020-Building Maintenance and Operation from \$1,612,000 to \$1,536,000



and

(d) 94.01-Distributed Administration from —\$9,369,000 to —\$9,152,000

This \$76,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1700-001-001—For support of the Department of Fair Employment and Housing. I reduce this item from \$8,315,000 to \$8,237,000 by reducing:

(a) Enforcement of Anti-Discrimination from \$7,440,000 to \$7,371,000,

(b) Administrative Services from \$899,000 to \$890,000.

This \$78,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1705-001-001—For support of the Fair Employment and Housing Commission. I reduce this item from \$613,000 to \$599,000 by reducing:

(a) Personal Services from \$495,000 to \$488,000.

(b) Operating Expenses and Equipment from \$118,000 to \$111,000.

This reduction includes \$7,000 for merit salary adjustments that can be funded through existing resources, and \$7,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1710-001-001—For support of Office of the State Fire Marshal I reduce this item from \$4,029,000 to \$3,835,000 by reducing:

(a) Personal Services from \$4,025,000 to \$3,901,000,

(b) Operating Expenses and Equipment from \$1,522,000 to \$1,427,000 and

(c) Reimbursements from —\$1,223,000 to —\$1,198,000.

This reduction includes \$43,000 for merit salary adjustments that can be funded through existing resources, and \$70,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate, and an additional \$81,000 reduction through reorganization of the central office

Item 1730-001-001—For support of the Franchise Tax Board. I reduce this item from \$91,676,000 to \$89,586,000 by reducing:

(a) 100000-Personal Services from \$74,621,000 to \$73,288,000,

(b) 300000-Operating Expenses and Equipment from \$20,859,000 to \$20,011,000,

(c) Reimbursements from —\$2,850,000 to —\$2,781,000 and

(d) Amount payable from Item 8640-001-001 Political Reform Act of 1974 from —\$880,000 to —\$858,000.

This reduction includes \$1,279,000 for merit salary adjustments that can be funded through existing resources, and \$811,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-001—For support of the Department of General Services. I reduce this item from \$5,171,000 to \$5,094,000.

This reduction includes \$28,000 for merit salary adjustments that can be funded through existing resources, and \$49,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1760-001-003—For support of the Department of General Services I reduce this item from \$2,018,000 to \$1,952,000.

This \$66,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1760-001-006—For support of the Department of General Services. I reduce this item from \$206,000 to \$193,000

This \$13,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-022—For support of the Department of General Services. I reduce this item from \$341,000 to \$338,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-026—For support of the Department of General Services. I reduce this item from \$6,246,000 to \$5,827,000

This reduction includes \$419,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-120—For support of the Department of General Services I reduce this item from \$1,075,000 to \$1,048,000.

This reduction includes \$11,000 for merit salary adjustments that can be funded through existing resources, and \$16,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-189—For support of the Department of General Services I reduce this item from \$1,028,000 to \$1,002,000

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$22,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-344—For support of the Department of General Services. I reduce this item from \$1,065,000 to \$1,032,000

This reduction includes \$16,000 for merit salary adjustments that can be funded through existing resources, and \$17,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1760-001-602—For support of the Department of General Services. I reduce this item from \$9,505,000 to \$9,341,000.

This reduction includes \$58,000 for merit salary adjustments that can be funded through existing resources, and \$106,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1760-001-666—For support of the Department of General Services I reduce this item from \$186,693,000 to \$179,927,000 by reducing

(a) 100000-Personal Services from \$103,584,000 to \$102,784,000,

(b) 300000-Operating Expenses and Equipment from \$143,997,000 to \$136,201,000 and

(1) Distributed Services from -\$39,133,000 to -\$37,303,000

This reduction includes \$627,000 for merit salary adjustments that can be funded through existing resources, and \$5,898,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am reducing \$206,000 for seven additional State Police Officer positions because they are in excess of the established staffing standard for State office buildings I am reducing \$35,000 for fire safety inspections of leased building space because the work can be accomplished at a lower cost.

Item 1760-001-739—For support of the Department of General Services. I reduce this item from \$617,000 to \$600,000

This reduction includes \$8,000 for merit salary adjustments that can be funded through existing resources, and \$9,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1760-001-961—For support of the Department of General Services I reduce this item from \$193,000 to \$190,000

This reduction includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$1,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1760-021-666—For support of the Department of General Services. I reduce this item from \$37,866,000 to \$36,805,000 by reducing

(a) 100000-Personal Services from \$15,577,000 to \$15,565,000 and

(b) 300000-Operating Expenses and Equipment from \$22,289,000 to \$21,240,000

This reduction includes \$12,000 for merit salary adjustments that can be funded through existing resources and \$1,049,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 1880-001-001—For support of the State Personnel Board I reduce this item from \$21,392,000 to \$20,542,000 by reducing:

(a) Merit Systems Administration from \$21,927,000 to \$20,953,000,

(b) Appeals from \$1,767,000 to \$1,746,000,

(c) Local Government Services from \$1,504,000 to \$1,486,000 and

(f) Reimbursements from -\$3,886,000 to -\$3,723,000

and by eliminating the following language

5 \$68,000 of the \$275,000 appropriated by this item for support of coordinators

under the Career Opportunities Development Program shall be used to provide salaries for Career Opportunities Development Trainees.

6. \$163,000 of the funds appropriated for Program 10 of this item are for 4 6 analyst positions and one clerical position. These positions shall be used to conduct compensation surveys and to research and prepare other data needed by the employer to conduct negotiations and by the Legislature to evaluate negotiated compensation increases. These surveys shall include trends in collective bargaining. In addition, the State Personnel Board shall submit to the Legislature, upon the request of the chairperson of the committee in each house which considers appropriations or the chairperson of the Joint Legislative Budget Committee, or his or her designee, calculations of specific percentage differences in salaries between state civil service employees and nonstate employees. This information shall be included unless it pertains to civil service classes represented by an exclusive bargaining agent under the provisions of the State Employer-Employee Relations Act, and a memorandum of understanding has not yet been submitted to the Legislature for approval. However, information relative to those classes shall be released by the State Personnel Board and submitted to the Legislature, upon request as herein specified, in conjunction with any memorandum of understanding affecting those classes which is submitted to the Legislature.

I am reducing this item by \$163,000 in reimbursements and 5.6 positions from the Merit Systems Administration Unit because the salary survey function is no longer necessary in light of collective bargaining.

I am reducing this item by \$255,000 in the Merit Systems Administration Program as a result of the deletion of the Career Opportunities Development Coordinators from the State Agencies. This function can be performed by other department staff.

I am reducing this item by \$297,000 and 8 positions in the Merit Systems Administration Unit due to a reduction in workload as a result of the decentralization of testing.

This reduction includes \$153,000 for merit salary adjustments that can be funded through existing resources, and \$145,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1880-001-677—For support of the State Personnel Board. I reduce this item from \$1,363,000 to \$1,344,000.

This reduction includes \$10,000 for merit salary adjustments that can be funded through existing resources, and \$9,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1900-001-830—For support of the Public Employees' Retirement System. I reduce this item from \$25,785,000 to \$24,097,000 by reducing:

- (a) 10-Retirement from \$24,930,000 to \$23,242,000,
- (b) 50-01 Administration from \$14,244,000 to \$12,556,000,
- (c) 50-02 Admin-Distributed from —\$13,642,000 to —\$11,954,000.

Included in these reductions are \$254,000 for merit salary adjustments that can be funded through existing resources and \$275,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. Also I am eliminating \$1,159,000 and 42 positions because the workload information provided does not support funding for the expanded level of staffing. I am supporting the Legislative augmentation of \$500,000 to finance a study of the program, organization, managerial and staffing needs of the system and believe it is premature to add positions until this study is completed and recommendations are evaluated.

Item 1900-001-950—For support of the Public Employees' Retirement System. I reduce this item from \$2,495,000 to \$2,444,000 by reducing:

- (a) 30-Health Benefits from \$2,527,000 to \$2,476,000.

This reduction includes \$17,000 for merit salary increases that can be funded through existing resources, and \$34,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1920-001-835—For support of the State Teachers' Retirement System. I reduce this item from \$13,773,000 to \$13,519,000 by reducing

- (a) Personal Services from \$7,922,000 to \$7,815,000,
- (b) Operating Expenses and Equipment from \$6,243,000 to \$6,096,000.

This reduction includes \$107,000 for merit salary adjustments that can be funded through existing resources, and \$147,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1960-001-001—For support of the Department of Veterans Affairs I reduce this item from \$2,074,000 to \$2,036,000 by reducing:

- (a) Personal Services from \$2,134,000 to \$2,107,000,
- (b) Operating Expenses from \$391,000 to \$380,000.

This reduction includes \$27,000 for merit salary adjustments that can be funded through existing resources, and \$11,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 1970-011-001—For support of the Veterans' Home of California I reduce this item from \$18,586,000 to \$17,510,000 by reducing:

- (a) Personal Services from \$16,268,000 to \$16,097,000,
- (b) Operating Expenses and Equipment from \$6,294,000 to \$5,389,000.

This reduction includes \$171,000 for merit salary adjustments that can be funded through existing resources, and \$905,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2100-001-001—For support of the Department of Alcoholic Beverage Control. I reduce this item from \$14,168,000 to \$13,666,000 by reducing:

- (a) 10 10-Licensing from \$9,424,000 to \$9,242,000,
- (b) 10 20-Compliance from \$5,054,000 to \$4,734,000,
- (c) 10.30.010-Administration from \$1,836,000 to \$1,803,000 and
- (d) 10.3 020-Distributed Administration from —\$1,836,000 to —\$1,803,000.

This reduction of \$502,000 includes \$176,000 for merit salary adjustments that can be funded through existing resources, and \$104,000 for price increases for operating expenses. Also included is a reduction of \$222,000 and three Personnel Years for legal staff, as this legislative augmentation is not workload justified.

Item 2120-001-117—For support of Alcoholic Beverage Control Appeals Board. I reduce this item from \$197,000 to \$195,000 by reducing:

Program 10 from \$197,000 to \$195,000

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2140-001-136—For support of the State Banking Department I reduce this item from \$7,210,000 to \$7,119,000 by reducing:

- (a) Personal Services from \$5,674,000 to \$5,652,000 and
- (b) Operating Expenses and Equipment from \$1,595,000 to \$1,626,000

This reduction of \$91,000 includes \$22,000 for merit salary adjustments that can be funded through existing resources, and \$69,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2180-001-001—For support of Department of Corporations. I reduce this item from \$7,247,000 to \$7,055,000 by reducing:

- (a) Personal Services from \$10,870,000 to \$10,737,000 and
- (b) Operating Expenses and Equipment from \$2,542,000 to \$2,583,000

This reduction of \$192,000 includes \$133,000 for merit salary adjustments that can be funded through existing resources, and \$59,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2200-001-001—For support of the Department of Economic and Business Development I reduce this item from \$7,205,000 to \$6,600,000 by reducing:

- (a) 10-Office of Business and Industrial Development from \$595,000 to \$579,000,
- (b) 30-Office of Tourism from \$670,000 to \$651,000,
- (c) 40-Office of Local Economic Development from \$328,000 to \$320,000,
- (d) 50-Office of Small Business Development from \$5,248,000 to \$4,700,000,
- (e) 60-Office of Economic Planning Policy and Research Development from \$500,000 to \$486,000,
- (f) 70 01-Administration from \$637,000 to \$619,000 and
- (g) 70 02-Distributed Administration from —\$637,000 to —\$619,000.

Included in this \$605,000 reduction is \$105,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also

eliminating \$500,000 which would have funded a new regional corporation. I believe that the remaining funds are sufficient for this program

Item 2230-001-215—For support of the California Industrial Development Financing Advisory Commission. I reduce this item from \$231,000 to \$224,000.

This reduction of \$7,000 includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$4,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2240-001-001—For support of the Department of Housing and Community Development. I reduce this item from \$5,201,000 to \$5,131,000 by reducing:

(a) 10-Codes and Standards Program from \$1,689,000 to \$1,678,000,

(b) 20-Community Affairs Program from \$7,407,000 to \$7,356,000,

(c) 30.01-Research and Policy Development Program from \$1,167,000 to \$999,000 and by eliminating

(cx) 30.02-Research and Policy Development Program-Distributed —\$160,000 and by eliminating the following language

4. Provided that \$428,000 of the funds appropriated for 10 5 positions, which were redirected to Administration and Legal shall only be appropriated if \$1,167,000 and 26.5 positions are appropriated for Research and Policy Development

This reduction of \$70,000 includes \$9,000 for merit salary adjustments that can be funded through existing resources, and \$61,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

I am further modifying this item by eliminating a legislative augmentation of \$160,000 and 4.5 Personnel Years in the Research and Policy Development Program and eliminating the related distributed cost of this augmentation reflected in the Research and Policy Development Program-Distributed. Therefore, there is no reduction in the appropriation as a result of this action. This program currently has adequate staff to perform its work.

I eliminate the language of Provision 4 which was added by the Legislature because the corresponding appropriation for this language has been eliminated.

Item 2240-001-245—For support of the Department of Housing and Community Development I reduce this item from \$1,736,000 to \$1,722,000 by reducing:

(a) 10-Codes and Standards from \$1,736,000 to \$1,722,000

This reduction of \$14,000 includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$10,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2240-001-451—For support of the Department of Housing and Community Development. I reduce this item from \$1,554,000 to \$1,528,000 by reducing:

(a) 10-Codes and Standards from \$1,554,000 to \$1,528,000.

This reduction of \$26,000 includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$22,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2240-001-635—For support of the Department of Housing and Community Development. I reduce this item from \$174,000 to \$171,000 by reducing:

(a) 20-Community Affairs from \$174,000 to \$171,000.

This reduction of \$3,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 for price increases for operating expenses.

Item 2240-001-648—For support of the Department of Housing and Community Development. I reduce this item from \$8,223,000 to \$8,078,000 by reducing.

(a) 10-Codes and Standards from \$8,223,000 to \$8,078,000.

This reduction of \$145,000 includes \$21,000 for merit salary adjustments that can be funded through existing resources, and \$124,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2240-001-890—For support of the Department of Housing and Community Development I reduce this item from \$716,000 to \$686,000 by reducing:

(a) 20-Community Affairs from \$716,000 to \$686,000.

This reduction of \$30,000 includes \$21,000 for merit salary adjustments that can be funded through existing resources, and \$9,000 in operating cost increases no longer

anticipated because of a significant reduction in the inflation rate.

Item 2240-001-925—For support of the Department of Housing and Community Development. I reduce this item from \$35,000 to \$34,000 by reducing

- (a) 20-Community Affairs from \$35,000 to \$34,000

This \$1,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2240-001-929—For support of the Department of Housing and Community Development I reduce this item from \$387,000 to \$382,000 by reducing

- (a) 20-Community Affairs from \$387,000 to \$382,000

This reduction of \$5,000 includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$3,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2240-001-936—For support of the Department of Housing and Community Development I reduce this item from \$208,000 to \$205,000 by reducing

- (a) 20-Community Affairs from \$208,000 to \$205,000.

This reduction of \$3,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2240-001-938—For support of the Department of Housing and Community Development. I reduce this item from \$310,000 to \$306,000 by reducing

- (a) 20-Community Affairs from \$310,000 to \$306,000

This reduction of \$4,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$3,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2240-001-980—For support of the Department of Housing and Community Development. I reduce this item from \$74,000 to \$73,000 by reducing:

- (a) 20-Community Affairs from \$74,000 to \$73,000

This \$1,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2240-101-001—For local assistance, Department of Housing and Community Development I reduce this item from \$7,075,000 to \$6,900,000 by reducing

- (a) 20-Community Affairs from \$7,075,000 to \$6,900,000.

I am reducing this item by \$175,000 which will eliminate state funding for the Home Management Training Program. These were originally established as pilot programs more than five years ago. These programs should now be able to carry on without state assistance.

Item 2290-001-217—For support of the Department of Insurance I reduce this item from \$16,929,000 to \$16,548,000 by reducing

- (a) 10-Regulation of Insurance Companies and Insurance Producers from \$16,022,000 to \$15,656,000,

- (b) 20-Fraud Control from \$769,000 to \$757,000,

- (c) 30-Tax Collection and Audit from \$138,000 to \$135,000,

- (d) 40 01-Administration from \$3,841,000 to \$3,774,000,

- (e) 40 02-Distributed Administration from —\$3,841,000 to —\$3,774,000

This reduction of \$381,000 includes \$157,000 for merit salary adjustments that can be funded through existing resources, and \$145,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. Also included in this reduction is \$79,000 to eliminate a legislative augmentation for two additional legal positions which are not workload justified

Item 2320-001-317—For support of the Department of Real Estate I reduce this item from \$17,460,000 to \$17,092,000 by reducing

- (a) Personal Services from \$11,664,000 to \$11,499,000 and

- (b) Operating Expenses and Equipment from \$4,827,000 to \$4,624,000.

This reduction of \$368,000 includes \$165,000 for merit salary adjustments that can be funded through existing resources, and \$203,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2340-001-337—For support of the Department of Savings and Loan I reduce this item from \$3,193,000 to \$3,143,000 by reducing.

(a) Personal Services from \$3,184,000 to \$3,175,000 and

(b) Operating Expenses and Equipment from \$970,000 to \$929,000

This reduction of \$50,000 includes \$9,000 for merit salary adjustments that can be funded through existing resources, and \$41,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2600-001-042—For support of the California Transportation Commission I reduce this item from \$116,000 to \$110,000

This \$6,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2600-001-046—For support of the California Transportation Commission. I reduce this item from \$937,000 to \$907,000

This reduction of \$30,000 includes \$6,000 for merit salary adjustments that can be funded through existing resources, and \$24,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2660-001-041—For support of the Department of Transportation I reduce this item from \$1,789,000 to \$1,757,000 by reducing

(a) 10-Aeronautics from \$1,812,000 to \$1,780,000

This reduction of \$32,000 includes \$11,000 for merit salary adjustments that can be funded through existing resources, and \$21,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2660-001-042—For support of the Department of Transportation I reduce this item from \$627,404,400 to \$614,736,400 by reducing

(a) 20-Highway Transportation from \$627,300,400 to \$614,632,400 and

(a) (1) 20-Total Highway Transportation from \$726,225,000 to \$713,362,000 and by eliminating

(a) (5) Amount payable from the Motor Vehicle Account (Item 2660-001-044) (—\$195,000)

I am reducing this item by \$12,668,000 This reduction includes \$3,016,000 for merit salary adjustments that can be funded through existing resources, and \$8,178,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Also included is a reduction of \$1,474,000 related to intercity projects for the Office of Bicycle Facilities This adjustment will result in concentrating bicycle transportation efforts where most of the demand appears to be, specifically, intracity bicycle systems.

I am further modifying this item by reducing \$195,000 from Program 20-Highway Transportation and eliminating Schedule (a) (5) which reflects the transfer of these funds from Item 2660-001-044 I believe that the Department can provide administrative support for the traffic light synchronization project from available resources.

Item 2660-001-044—For support of the Department of Transportation, for transfer to Item 2660-001-042. I eliminate this item

I am eliminating this legislative augmentation of \$195,000 because the department has adequate staff and funds within budgeted resources to provide administrative support for the liquid fuel conservation research (traffic light synchronization) activity without an augmentation

Item 2660-001-046—For support of the Department of Transportation I reduce this item from \$25,784,000 to \$24,861,000 by reducing

(a) 30-Mass Transportation from \$20,302,000 to \$19,573,000,

(a) (1) 30-Total Mass Transportation from \$90,316,000 to \$89,587,000,

(b) 40-Transportation Planning from \$5,482,000 to \$5,288,000 and

(b) (1) 40-Total Transportation Planning from \$7,428,000 to \$7,234,000

This reduction of \$923,000 includes \$69,000 for merit salary adjustments that can be funded through existing resources, and \$854,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 2660-006-046—For support of the Department of Transportation I eliminate this item.

I am eliminating this \$5,216,000 legislative augmentation for the "Spirit of

California" because ridership for this Sacramento-Los Angeles passenger rail service is below statutory level. Under existing law, this route is required by June 30, 1984 to recover 55 percent of its operating costs through fares. However, fare-box recovery for this route in the 1982-83 fiscal year is only 34 percent. Furthermore, a recent Amtrak projection indicates that the 1983-84 fiscal year fare-box recovery will further decline to 29 percent.

Item 2660-007-046—For support of Department of Transportation I eliminate this item.

I eliminate this \$285,000 legislative augmentation to fund a study evaluating the ability of the Department of Transportation to deliver capital outlay projects included in the 1983 State Transportation Improvement Plan (STIP). Both the California Transportation Commission and the Department of Transportation will be monitoring staffing required to meet the 1983 STIP.

Item 2660-301-042—For capital outlay, Department of Transportation. I reduce this item from \$182,110,000 to \$181,460,000 by reducing:

- (a) 20-Highway Transportation from \$182,110,000 to \$181,460,000 and
- (a) (1) 20-Total Highway Transportation from \$874,660,000 to \$874,010,000

I am reducing this item by \$650,000. This adjustment will result in concentrating bicycle transportation efforts where most of the demand appears to be, specifically, intracity bicycle systems. It should be noted that all funds saved as a result of this action will become available for high priority transportation projects.

Item 2660-301-046—For capital outlay, Department of Transportation. I eliminate State funds from this item in the amount of \$100,000 by reducing:

- (a) 30-Mass Transportation from \$58,950,000 to \$58,850,000 and by eliminating the attendant control language.

I am eliminating from this item a \$100,000 legislative augmentation which would have established a new passenger rail station for the "San Joaquins" rail service in the Corcoran area. Inasmuch as there is already a station in the nearby community of Hanford, the expenditure of state funds for this additional facility does not appear to be justified.

Item 2700-001-044—For support of the Office of Traffic Safety. I reduce this item from \$215,000 to \$211,000 by reducing:

- (a) State Operations from \$5,088,000 to \$5,084,000.

This reduction of \$4,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$3,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2720-001-044—For support of the Department of the California Highway Patrol. I reduce this item from \$329,302,650 to \$313,784,650 by reducing:

- (a) 10-Traffic Management from \$295,524,500 to \$288,148,500,
- (b) 20-Regulation and Inspection from \$23,667,000 to \$23,105,000,
- (c) 30-Vehicle Ownership Security from \$6,483,000 to \$6,403,000,
- (d) 40.01-Administration Undistributed from \$66,666,000 to \$64,983,000,
- (e) 40.02-Administration-Distributed from —\$66,666,000 to —\$64,983,000 and by eliminating
- (g) Salary increase-undistributed \$7,500,000 and budget control language provision 4.

This reduction of \$15,518,000 includes \$3,207,000 for merit salary adjustments that can be funded through existing resources, and \$4,811,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Also included in this reduction is \$7,500,000 for a proposed salary increase for supervising officers. I am eliminating this augmentation because employee compensation increases should be provided through the appropriate salary increase items rather than through individual department appropriations.

Item 2740-001-001—For support of the Department of Motor Vehicles. I reduce this item from \$40,000 to \$38,000 by reducing:

Program 21-Driver Licensing and Control, and Personal Identification from \$40,000 to \$38,000.

This \$2,000 reduction is for operating cost increases no longer anticipated because



of a significant reduction in the inflation rate.

Item 2740-001-044—For support of the Department of Motor Vehicles I reduce this item from \$168,017,000 to \$163,558,000 by reducing

(a) 11-Vehicle and Vessel Registration and Titling from \$70,456,000 to \$68,584,000.

(a) (1) 11-Total Vehicle and Vessel Registration and Titling from \$76,959,000 to \$75,087,000.

(b) 21-Driver Licensing and Control and Personal Identification from \$82,291,000 to \$80,106,000.

(b) (1) 21-Total Driver Licensing and Control and Personal Identification from \$93,053,000 to \$90,868,000.

(c) 31-Occupational Licensing and Regulation from \$15,270,000 to \$14,868,000.

(c) (1) 31-Total Occupational Licensing and Regulation from \$15,278,000 to \$14,876,000.

(d) 41.01-Administration from \$17,276,000 to \$16,830,000 and

(e) 41 02-Distributed Administration from —\$17,276,000 to —\$16,830,000.

This reduction of \$4,459,000 includes \$2,127,000 for merit salary adjustments that can be funded through existing resources, and \$2,332,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2740-001-064—For support of the Department of Motor Vehicles. I reduce this item from \$62,246,000 to \$61,368,000 by reducing.

Program 11-Vehicle and Vessel Registration and Titling from \$62,246,000 to \$61,368,000.

This reduction of \$878,000 includes \$422,000 for merit salary adjustments which can be funded through existing resources, and \$456,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2740-001-378—For support of the Department of Motor Vehicles I reduce this item from \$28,000 to \$25,000 by reducing:

Program 11-Vehicle and Vessel Registration and Titling from \$28,000 to \$25,000

This reduction of \$3,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2760-001-178—For support of the Traffic Adjudication Board I reduce this item from \$1,838,000 to \$1,788,000 by reducing

(a) Program Administration from \$1,989,000 to \$1,939,000.

This reduction of \$50,000 includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$38,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 2780-001-683—For support of the Stephen P. Teale Data Center. I reduce this item from \$37,392,000 to \$36,049,000 by reducing.

Unscheduled from \$37,392,000 to \$36,049,000.

This reduction of \$1,343,000 includes \$166,000 for merit salary adjustments that can be funded through existing resources, and \$1,177,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3310-001-731—For support of the California Alternative Energy Source Financing Authority I reduce this item from \$158,000 to \$156,000

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3340-001-001—For support of the California Conservation Corps I reduce this item from \$20,674,000 to \$15,771,000 by reducing

(a) 10 10-Orientation and Training Center from \$2,626,000 to \$2,553,000.

(b) 10.20-Base and Fire Centers from \$25,818,000 to \$20,728,000.

(d) 20 01-Program Support from \$3,287,000 to \$3,187,000.

(e) 20.02-Distributed Program Support from —\$3,287,000 to —\$3,187,000 and

(f) Reimbursements from —\$8,143,000 to —\$7,883,000

I am eliminating the legislative augmentation of \$800,000, related reimbursements of \$50,000 and 15 positions for the restoration of the Calaveras Fire Center I am also reducing \$15 million in General Funds, related reimbursements of \$210,000 and 19 positions in lieu of the \$1.5 million legislative augmentation from the Energy

Resources Programs Account to keep the Oat Mountain Center open and to maintain a mini-Calaveras Center at the Fricot Training Academy. These reductions will maintain the CCC service level as originally proposed in the Governor's Budget. Furthermore, the CCC has identified these sites as low priority on the basis of high operational cost and difficulty of access.

I am also reducing \$2 million in General Funds in anticipation of legislation to provide \$2 million in Energy Resources Programs Account (ERPA) monies to support two existing centers

This reduction also includes \$146,000 for merit salary adjustments that can be funded through existing resources, and \$457,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Program Support and Distributed Program Support are being adjusted to conform with Item 3340-001-465.

Item 3340-001-465—For support of the California Conservation Corps. I reduce this item from \$2,699,000 to \$2,576,000 by reducing

(b) 10 20-Base and Fire Centers from \$739,000 to \$616,000

I am eliminating the legislative augmentation of \$100,000, two positions, and language added specifically for administrative costs for the Petroleum Violation Escrow Funds. Sufficient funds exist in the CCC's budget to perform the administrative functions. Item 3340-001-001 will be adjusted accordingly to reflect the reduction in program support costs and distributed program support costs

This reduction also includes \$5,000 for merit salary adjustments that can be funded through existing resources and \$18,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3360-001-033—For support of the State Energy Resources Conservation and Development Commission. I reduce this item from \$6,056,000 to \$2,506,000 by reducing:

(a) For the schools and hospitals program from \$4,000,000 to \$2,450,000, and by eliminating

(b) For the streetlight conversion program \$2,000,000

I am reducing this item by \$3,550,000 because Federal petroleum violation escrow funds are available for this program thus allowing this savings while maintaining the program

Item 3360-001-044—For support of the State Energy Resources Conservation and Development Commission. I reduce this item from \$94,000 to \$86,000.

This reduction of \$8,000 includes \$7,000 for merit salary adjustments that can be funded through existing resources, and \$1,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3360-001-465—For support of the State Energy Resources Conservation and Development Commission. I reduce this item from \$19,906,000 to \$15,470,000 by reducing

(a) Personal Services from \$14,233,000 to \$11,920,000,

(b) Operating Expenses and Equipment from \$6,676,000 to \$5,545,000,

(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044) from -\$94,000 to -\$86,000

and by eliminating

(bx) Transition costs resulting from program reductions \$1,000,000.

I am reducing this item by \$4,436,000 and the scheduled expenditures that flow through this item by \$8,000 to reflect the following actions

This reduction includes \$189,000 for merit salary adjustments that can be funded through existing resources, and \$146,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Elimination of an augmentation of \$345,000 and 7.5 positions for the Energy Commission to work on plans for a transmission line from the Pacific Northwest. I believe the resources I have proposed for the Commission's Regulatory and Planning Program will permit the Commission to fulfill its responsibilities for transmission line planning

Elimination of an augmentation of \$770,000 and 20.5 positions for the Commission to continue energy conservation activities. The value of energy conservation is

generally recognized by utilities and consumers, and energy conservation efforts will continue to grow on their merits

Elimination of an augmentation of \$1,118,000 and 18 positions for the Commission to continue conducting feasibility and demonstration projects for new energy technologies. It is no longer necessary for the Energy Commission to actively develop alternative energy technologies because the economic benefits of alternative energy technologies for producing energy are now recognized. Primary responsibility for research and development activities can be continued by the academic and industrial sectors.

Elimination of an augmentation of \$876,000 and 15 positions for commission-wide administrative staff. The budget which I have proposed for the commission already includes sufficient administrative staff for the Commission to manage its programs.

Elimination of an augmentation of \$1,000,000 for costs associated with staff reductions proposed for 1983-84. I believe that through an aggressive outplacement program, the Commission should be able to mitigate the costs associated with the staff reduction. During the coming year, I will review, on a statewide basis, the status of staff reductions proposed for 1983-84, and the need for assistance to departments faced with reductions. Consistent with this reduction, I am also eliminating provision 1 of the control language since this provision relates to the expenditure of funds included in schedule.

Item 3360-001-890—For support of California Energy Resources Conservation and Development Commission.

I am vetoing the language of provision (2) regarding expenditure of funds for a study of energy conservation programs. This language unnecessarily restricts the scope of the study to be performed. I am directing the Chairman of the California Energy Commission, in cooperation with representatives of the Office of Planning and Research and the Office of Economic Opportunity, to define a scope and select a contractor for studying the energy conservation potential for all possible uses of Petroleum Violation Escrow Funds.

Item 3360-011-465—For support of the State Energy Resources Conservation and Development Commission. I eliminate this item.

I am eliminating this item because I do not believe it is necessary for the Energy Commission to provide funding for a project to demonstrate an alternative energy technology because there are already public and private financial institutions which can provide money for development of these technologies.

Item 3380-001-001—For support of the California Waste Management Board. I reduce this item from \$3,708,000 to \$3,584,000 by reducing:

- (a) Personal Services from \$2,697,000 to \$2,634,000 and
- (b) Operating Expenses and Equipment from \$1,094,000 to \$1,033,000.

I am reducing this item by \$124,000 to reflect a reduction of \$42,000 for merit salary adjustments that can be funded through existing resources and \$31,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. In addition, I am reducing the Public Awareness Program by \$51,000. The remaining funds should be sufficient to support the program.

Item 3400-001-001—For support of the Air Resources Board. I reduce this item from \$3,576,000 to \$3,437,000 by reducing:

- (a) Personal Services from \$19,947,000 to \$18,764,000,
- (b) Operating Expenses and Equipment from \$29,115,000 to \$28,027,000,
- (d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-001-044) from -\$25,484,000 to -\$23,455,000,
- (e) Amount payable from the Air Pollution Control Fund (Item 3400-001-115) from -\$1,896,000 to -\$1,876,000,
- (f) Amount payable from the Automotive Repair Fund (Item 3400-001-128) from -\$1,082,000 to -\$1,003,000 and
- (i) Amount payable from the Energy Resources Programs Account, General Fund (Item 3400-001-465) from -\$152,000 to -\$148,000.

I am reducing this item by \$139,000 which consists of \$42,000 for merit salary adjustments that can be funded through existing resources, \$47,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

and \$50,000 originally included for equipment which can be redirected for higher priority expenditures elsewhere in the budget. In addition, I am reducing the scheduled expenditures that flow through this item.

Item 3400-001-044—For support of the Air Resources Board, to be transferred to Item 3400-001-001. I reduce this item from \$25,484,000 to \$23,455,000.

I am reducing this item by \$2,029,000 to conform to the scheduled reductions detailed in Item 3400-001-001. Included in this reduction is \$273,000 for merit salary adjustments that can be funded through existing resources, \$244,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate, and \$1,512,000 for stationary source air pollution.

Item 3400-001-115—For support of the Air Resources Board, to be transferred to Item 3400-001-001. I reduce this item from \$1,896,000 to \$1,876,000.

I am reducing this item by \$20,000 to conform to the scheduled reductions detailed in Item 3400-001-001. This reduction includes \$13,000 for merit salary adjustments that can be funded through existing resources, and \$7,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3400-001-128—For support of the Air Resources Board, to be transferred to Item 3400-001-001. I reduce this item from \$1,082,000 to \$1,003,000.

I am reducing this item by \$79,000 to conform to the scheduled reductions detailed in Item 3400-001-001. This \$79,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3400-001-465—For support of the Air Resources Board, to be transferred to Item 3400-001-001. I reduce this item from \$152,000 to \$148,000.

I am reducing this item by \$4,000 to conform to the scheduled reductions detailed in Item 3400-001-001. This reduction includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3460-001-001—For support of the Colorado River Board of California. I reduce this item from \$177,000 to \$174,000 by reducing:

- (a) Personal Services from \$445,000 to \$444,000 and
- (b) Operating Expenses and Equipment from \$126,000 to \$124,000.

This reduction of \$3,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3480-001-001—For support of the Department of Conservation. I reduce this item from \$10,062,000 to \$9,767,000 by reducing:

- (a) 10-Geologic Hazards and Mineral Resources Conservation from \$5,186,000 to \$4,960,000,
- (b) 20-Oil, Gas, and Geothermal Protection from \$5,800,000 to \$5,733,000,
- (c) 30-Special Services for Resource Protection from \$591,000 to \$389,000 and
- (f) Reimbursements from —\$1,515,000 to —\$1,315,000.

I am reducing this item by \$295,000 to accomplish reductions of \$39,000 for merit salary adjustments that can be funded through existing resources and \$94,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. This reduction also includes \$162,000 and 7 positions originally included in the budget. This reduction in the Division of Mines and Geology can be accomplished by deferring lower priority activities.

I am also reducing \$200,000 in reimbursements as a result of the elimination of funding for the farmland mapping and monitoring program in Item 3480-001-190.

Item 3480-001-035—For support of the Department of Conservation. I reduce this item from \$1,177,000 to \$1,161,000.

This reduction of \$16,000 includes \$5,000 for merit salary adjustments that can be funded through existing resources, and \$11,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3480-001-190—For support of the Department of Conservation. I reduce this item from \$608,000 to \$585,000 by eliminating:

This reduction includes \$6,000 for related merit salary adjustments that can be funded through existing resources, and \$17,000 in operating cost increases no longer

anticipated because of a significant reduction in the inflation rate.

Item 3480-001-398—For support of the Department of Conservation I reduce this item from \$1,601,000 to \$1,574,000.

This reduction of \$27,000 includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$23,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3480-001-890—For support of the Department of Conservation. I reduce this item from \$195,000 to \$192,000

This reduction of \$3,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 for price increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3540-001-001—For support of the Department of Forestry. I reduce this item from \$125,545,000 to \$121,599,000 by reducing:

- (a) 10 10-Fire Protection, State Responsibility from \$122,722,000 to \$119,442,000,
- (c) 10.30-Resource Management from \$8,369,000 to \$7,703,000,
- (d) 20.01-Administration from \$10,283,000 to \$9,863,000, and
- (e) 20.02-Distributed Administration from —\$10,283,000 to —\$9,863,000.

This reduction includes \$619,000 for merit salary adjustments that can be funded through existing resources, and \$1,827,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

I am also reducing \$1.5 million and 11.6 non-fire protection positions originally included in the Governor's Budget.

Item 3540-001-140—For support of the Department of Forestry. I reduce this item from \$2,745,000 to \$2,668,000.

This reduction of \$77,000 includes \$13,000 for merit salary adjustments that can be funded through existing resources, and \$64,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3540-001-190—For support of the Department of Forestry. I reduce this item from \$2,341,000 to \$2,289,000.

This reduction of \$52,000 includes \$14,000 for merit salary adjustments that can be funded through existing resources, and \$38,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3540-001-300—For support of the Department of Forestry. I reduce this item from \$85,000 to \$84,000.

This \$1,000 reduction is for merit salary adjustments that can be funded through existing resources

Item 3540-001-928—For support of the Department of Forestry. I reduce this item from \$3,533,000 to \$3,373,000.

I am eliminating nine positions and the control language added to require the department to spend \$375,000 of the amount appropriated by this item for the Urban Forestry Program. This language would result in a reduction in the California Forest Improvement Program which aids small forest timber producers

This reduction includes \$6,000 for merit salary adjustments that can be funded through existing resources, and \$154,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3540-001-940—For support of the Department of Forestry I reduce this item from \$662,000 to \$646,000.

This \$16,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3560-001-001—For support of the State Lands Commission I reduce this item from \$8,617,000 to \$8,442,000 by reducing.

- (a) Personal Services from \$8,917,000 to \$8,824,000 and
- (b) Operating Expenses and Equipment from \$3,422,000 to \$3,340,000.

This reduction of \$175,000 includes \$93,000 for merit salary adjustments that can be funded through existing resources, and \$82,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3580-001-001—For support of the Seismic Safety Commission. I reduce this

item from \$809,371 to \$673,001.

I am eliminating the \$130,371 and 2 positions for the support of the Task Force on Earthquake Preparedness. A review of the Task Force's work to date indicates that it has fulfilled the mandates of Executive Order B-76-81.

In addition this reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3600-001-001—For support of the Department of Fish and Game I reduce this item from \$3,548,000 to \$3,260,000.

I am reducing this item by \$198,000 and 4 existing positions for administrative efficiency. I am also reducing \$90,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate. My actions on this item reduce the amount payable from this item to Item 3600-001-200.

Item 3600-001-140—For support of the Department of Fish and Game I reduce this item from \$3,730,000 to \$3,643,000.

This \$87,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate. This reduces the amount payable from this item to Item 3600-001-200.

Item 3600-001-200—For support of the Department of Fish and Game I reduce this item from \$48,937,000 to \$47,752,000 by reducing

(a) Personal Services from \$43,092,000 to \$42,963,000

(b) Operating Expenses and Equipment from \$31,006,000 to \$29,298,000

(c) Amount payable from the General Fund (Item 3600-001-001) from —\$3,548,000 to —\$3,260,000,

(d) Amount payable from the California Environmental License Plate Fund from —\$3,730,000 to —\$3,643,000 and

(e) Amount payable from the Federal Trust Fund from —\$10,201,000 to —\$9,924,000.

I am reducing \$35,000 for the administrative support of the Suisun Resource Conservation District. My action maintains the current annual State expenditure of \$45,000 and represents an adequate level of funding. Further I am reducing \$1,150,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing the amounts payable from items 3600-001-001, 3600-001-140, and 3600-001-890 to conform with my action taken on those items.

Item 3600-001-890—For support of the Department of Fish and Game. I reduce this item from \$10,201,000 to \$9,924,000.

This \$277,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate. This reduces the amount payable from this item to Item 3600-001-200.

Item 3640-001-447—For support of the Wildlife Conservation Board. I reduce this item from \$509,000 to \$503,000 by reducing.

(a) Personal Services from \$348,000 to \$347,000 and

(b) Operating Expenses and Equipment from \$161,000 to \$156,000.

This reduction of \$6,000 includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3640-301-140—For capital outlay, Wildlife Conservation Board. I eliminate this item.

I am eliminating this item for a savings to the California Environmental License Plate Fund of \$1,200,000. I have eliminated funds for acquisition of lands for wildlife habitat (\$500,000) because no specific parcels have been proposed for acquisition. In addition, I am eliminating funding from this item for the restoration of the Santa Monica Pier (\$700,000) because I have approved funding for repairs to this structure in the local assistance item of the Wildlife Conservation Board (\$323,500). The need for any remaining funds should be a local responsibility.

Item 3680-001-001—For support of the Department of Boating and Waterways I reduce this item from \$258,000 to \$211,000.

I am reducing this item by \$39,000 for funds originally included in the Governor's

Budget for an ongoing offshore and nearshore sand transport study This sand study can be deferred.

I am also reducing this item by \$8,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

My action to this item reduces the amount payable from this item to Item 3680-001-516.

Item 3680-001-516—For support of the Department of Boating and Waterways I reduce this item from \$3,012,000 to \$2,966,000 by reducing

(b) Operating Expenses and Equipment from \$1,066,000 to \$973,000 and

(f) Amount payable from the General Fund (Item 3680-001-001) from —\$258,000 to —\$211,000

This \$46,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate In addition, \$47,000 from the amount payable from Item 3680-001-001 is reduced to conform to my action on that item

Item 3720-001-001—For support of the California Coastal Commission I reduce this item from \$6,312,000 to \$5,641,000 by reducing.

(a) Personal Services from \$5,384,000 to \$4,427,000 and

(b) Operating Expenses and Equipment from \$2,053,000 to \$1,557,000

(e) Amount payable from the Federal Trust Fund (Item 3720-001-890) from —\$813,000 to —\$31,000

I am reducing this item by \$671,000 and the scheduled expenditures that flow through this item by \$782,000 to reflect reductions of \$68,000 for merit salary adjustments that can be funded through existing resources and \$54,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate I am also eliminating \$549,000 along with \$782,000 in federal funds and 29 2 positions which I believe are not necessary in order for the Coastal Commission to accomplish its planning and regulatory responsibilities at this time

Item 3720-001-890—For support of the California Coastal Commission, to be transferred to Item 3720-001-001 I reduce this item from \$813,000 to \$31,000

I am reducing this item by \$782,000 to conform to the scheduled reductions detailed in Item 3720-001-001. The appropriation of these Federal funds for support of the Coastal Commission is premature at this time.

Item 3760-001-721—For support of State Coastal Conservancy I reduce this item from \$1,365,000 to \$1,349,000 by reducing

(b) Operating Expenses and Equipment from \$441,000 to \$425,000

This \$16,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3790-001-001—For support of the Department of Parks and Recreation. I reduce this item from \$54,181,000 to \$52,325,000 by reducing

(a) 100000-Personal Services from \$70,444,000 to \$69,958,000,

(b) 300000-Operating Expenses and Equipment from \$29,682,000 to \$27,584,000,

(d) Amount payable from the Off Highway Vehicle Fund (Item 3790-001-263) from —\$3,638,000 to —\$3,551,000,

(e) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392) from —\$32,267,000 to —\$31,633,000, and

(f) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516) from —\$359,000 to —\$352,000.

This reduction of \$294,000 for merit salary adjustments that can be funded through existing resources, and \$1,001,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate In addition, I have further reduced this item by \$561,000 to reflect anticipated savings resulting from decreased in-state travel and deferred equipment replacement

Item 3790-001-263—For support of the Department of Parks and Recreation I reduce this item from \$3,638,000 to \$3,551,000

This reduction includes \$20,000 for merit salary adjustments that can be funded through existing resources, and \$67,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3790-001-392—For support of the Department of Parks and Recreation. I

reduce this item from \$32,267,000 to \$31,633,000.

This reduction includes \$165,000 for merit salary adjustments that can be funded through existing resources, and \$469,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3790-001-516—For support of the Department of Parks and Recreation. I reduce this item from \$359,000 to \$352,000.

This \$7,000 reduction is for merit salary adjustments that can be funded through existing resources.

Item 3790-101-140—For local assistance, Department of Parks and Recreation. I reduce this item from \$823,000 to \$548,000 by eliminating:

(4) City of Sacramento, Sacramento History Center (\$275,000).

I have eliminated funds for the construction of the Sacramento History Center (\$275,000) because no development plans have been provided for this local assistance grant

Item 3790-101-190—For local assistance, Department of Parks and Recreation I reduce this item from \$5,500,000 to \$2,500,000 by reducing:

(a) Roberti-Z'berg Urban Open Space and Recreation from \$5,000,000 to \$2,500,000, and by eliminating

(b) Presley Urban Fishing Program Act (\$500,000)

I am reducing the Roberti-Z'berg Urban Open Space Program by \$2,500,000 and eliminating the Presley Urban Fishing Grant programs proposed in this item for a savings of \$3,000,000. This reduction will be for the 1983-84 year only

Item 3790-301-392—For capital outlay, Department of Parks and Recreation. I reduce this item from \$2,211,000 to \$1,686,000 by reducing:

(p) Preliminary planning, acquisition costs, and prebudget appraisals from \$150,000 to \$75,000 and by eliminating

(g) Mokelumne River Project-acquisition (\$200,000), and

(q) Kings Beach SRA-improvement of facilities (\$250,000)

I am reducing and eliminating these categories for a total savings of \$525,000. Given the limited amount of capital outlay funds which are available, I am deferring these projects for one year. This deferral will not have a detrimental effect on ongoing state programs, nor will it result in a compromise of public safety, or the loss or deterioration of the state's investment.

Item 3790-301-733—For capital outlay, Department of Parks and Recreation. I reduce this item from \$406,000 to \$334,000 by eliminating:

(d) San Juan Bautista SHP-interpretive development (\$72,000)

I am eliminating this project for a savings of \$72,000 and directing the department to use existing funds available in the Office of Interpretive Services budget to complete this project

Item 3810-001-001—For support of Santa Monica Mountains Conservancy I reduce this item from \$303,000 to \$297,000 by reducing:

(b) Operating Expenses and Equipment from \$148,000 to \$142,000

This \$6,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 3820-001-001—For support of the San Francisco Bay Conservation and Development Commission I reduce this item from \$988,000 to \$949,000 by reducing:

(a) Personal Services from \$846,000 to \$833,000 and

(b) Operating Expenses and Equipment from \$349,000 to \$323,000

This reduction of \$39,000 includes \$13,000 for merit salary adjustments that can be funded through existing resources, \$16,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate, and \$10,000 in operating expenses which are not necessary to support a restored legal position.

Item 3860-001-001—For support of the Department of Water Resources. I reduce this item from \$19,885,000 to \$18,960,000 by reducing

(a) 10-Continuing Formulation of the California Water Plan from \$10,354,000 to \$9,677,000,

(b) 20-Implementation of the State Water Resources Development System from \$346,000 to \$340,000,



- (c) 30-Public Safety and Prevention of Damage from \$11,262,000 to \$11,071,000, and
- (d) 40-Services from \$2,990,000 to \$2,939,000.

I am reducing this item by \$500,000 and 8 existing personnel years for funds originally included in the Governor's Budget for discretionary studies and planning activities. This reduction will maintain existing activities at the 1982-83 level. Essential activities will not be reduced.

This reduction includes \$160,000 for merit salary adjustments that can be funded through existing resources, and \$265,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3860-001-140—For support of the Department of Water Resources. I reduce this item from \$1,142,000 to \$884,000.

I am eliminating the legislative augmentation of \$250,000 and language for a creek revitalization program. An earlier pilot project demonstrated that the federal, local, and private sectors can implement this program without state assistance. AB 918 would authorize a creek revitalization program. Funding for this program should be included in the legislation.

This reduction includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3860-001-190—For support of the Department of Water Resources. I reduce this item from \$130,000 to \$122,000.

This reduction of \$8,000 includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3860-001-890—For support of the Department of Water Resources. I reduce this item from \$420,000 to \$399,000 by reducing:

- (a) 10-Continuing Formulation of the California Water Plan from \$30,000 to \$28,000,

- (c) 30-Public Safety and Prevention of Damage from \$288,000 to \$274,000, and
- (d) 40-Services from \$102,000 to \$97,000.

This reduction of \$21,000 includes \$8,000 for merit salary adjustments that can be funded through existing resources, and \$13,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3860-001-940—For support of the Department of Water Resources. I reduce this item from \$402,000 to \$394,000.

This reduction of \$8,000 includes \$3,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 3860-301-190—For capital outlay, Department of Water Resources. I reduce this item from \$5,051,000 to \$4,851,000 by reducing:

- (e) Sacramento Riverbank Protection Project-acquisition of riparian habitat (\$200,000).

I am reducing this item by \$200,000. To eliminate the acquisition of riparian habitats because no specific parcels have been proposed for acquisition.

Item 3940-001-001—For support of the State Water Resources Control Board. I reduce this item from \$14,080,000 to \$13,709,000 by reducing:

- (a) 10-Water Quality from \$10,285,000 to \$10,076,000 and
- (b) 20-Water Rights from \$5,271,000 to \$5,109,000.

This reduction of \$371,000 includes \$74,000 for merit salary adjustments that can be funded through existing resources, and \$197,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

This reduction also includes \$100,000 in funds originally included in the Governor's Budget to reflect anticipated savings as a result of increased efficiencies in training and adjudication of disputed water rights.

Item 3940-011-014—For support of the State Water Resources Control Board. I eliminate this item.

The State Water Resources Control Board already has sufficient resources and the statutory authority to develop a work program for correction and detection of leaks.

from underground storage tanks and to continue correction of conditions threatening ground water supplies. Efforts to maintain and improve ground water quality are already funded in the Board's budget. I am eliminating this item because funding for any new program activities related to the detection and correction of leaks from underground storage tanks should be provided in enabling legislation. AB 2013, which would create a new program involving monitoring of underground storage tanks, should provide funding for any new administrative costs.

Item 4120-001-001—For support of the Emergency Medical Services Authority. I reduce this item from \$546,000 to \$446,000.

I am reducing this item from \$546,000 to \$446,000 by reducing 1.0 administrative position and expenditures for non-critical operating expenses. This reduction includes \$7,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. In addition, \$85,000 is reduced to reflect the deletion of low priority activities.

Item 4120-001-890—For support of the Emergency Medical Services Authority. I reduce this item from \$140,133 to \$136,133.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$3,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4130-001-632—For support of the Health and Welfare Agency Data Center. I reduce this item from \$22,970,000 to \$22,814,000.

This reduction includes \$98,000 for merit salary adjustments that can be funded through existing resources, and \$58,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4140-001-001—For support of the Office of Statewide Health Planning and Development. I reduce this item from \$967,000 to \$855,100 by reducing

- (a) 100000-Personal Services from \$5,713,000 to \$5,645,866,
- (b) 300000-Operating Expenses and Equipment from \$5,476,000 to \$5,325,234,
- (c) Amount payable from the Hospital Public Account (Item 4140-001-121) from -\$4,349,000 to -\$4,285,000, and
- (f) Amount payable from the Federal Trust Fund (Item 4140-001-890) from -\$1,705,000 to -\$1,663,000.

This reduction includes \$9,000 for merit salary adjustments that can be funded through existing resources, and \$31,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

I am also reducing \$58,900 from this item to reflect a 10 percent reduction in the Health Manpower Pilot Project Program. This reduction includes the elimination of 1 vacant position, but will not affect the continuance of high priority pilot projects.

In addition, \$13,000 is reduced from the Certificate of Need program. This reduction can be absorbed through other resources.

Item 4140-001-121—For support of the Office of Statewide Health Planning and Development. I reduce this item from \$4,349,000 to \$4,285,000 by reducing the amount to be transferred to Item 4140-001-001.

This reduction includes \$15,000 for merit salary adjustments that can be funded through existing resources, and \$49,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4140-001-890—For support of the Office of Statewide Health Planning and Development. I reduce this item from \$1,705,000 to \$1,663,000 by reducing the amount to be transferred to Item 4140-001-001.

This reduction includes \$10,000 for merit salary adjustments that can be funded through existing resources, and \$32,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4170-001-001—For support of the Department of Aging. I reduce this item from \$1,780,000 to \$1,729,000 by reducing

- (a) 10-Nutrition from \$1,008,000 to \$978,000,
- (c) 20-Supportive Services and Centers from \$705,000 to \$685,000,
- (e) 50 01-Administration from \$3,575,000 to \$3,524,000 and

(f) 50.02-Distributed Administration from —\$3,575,000 to —\$3,524,000.

This reduction includes \$30,000 for merit salary adjustments that can be funded through existing resources, and \$21,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4170-001-890—For support of the Department of Aging I reduce this item from \$2,421,000 to \$2,350,000 by reducing.

(a) 10-Nutrition from \$849,000 to \$818,000,

(c) 30-Supportive Services and Centers from \$1,071,000 to \$1,031,000

This reduction includes \$47,000 for merit salary adjustments that can be funded through existing resources, and \$24,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 4170-101-001—For local assistance, Department of Aging I reduce this item from \$6,312,000 to \$4,177,000 by reducing

(a) (1) 10.10-Congregate Nutrition from \$4,493,000 to \$2,358,000

I am reducing this item from \$6,312,000 to \$4,177,000 by reducing \$2,135,000 from the Congregate Nutrition Program. Since unanticipated Federal funds have become available for congregate nutrition, this reduction will not affect the level of service provided through that program.

I also eliminate the following language relative to this item since this veto makes the language unnecessary.

"It is the intent of the Legislature that \$3,089,000 of the funds appropriated from the General Fund for congregate nutrition be used to provide additional meals without increasing the total cost of state administration or cost per meal above the 1982-83 level. In the event that additional federal funds from Title III of the Older Americans Act of 1965 or the United States Department of Agriculture become available, the necessary portion of this amount may be used to match the additional federal funds."

Item 4180-001-001—For support of the Commission on Aging I reduce this item from \$202,000 to \$197,000.

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4180-001-890—For support of the Commission on Aging I reduce this item from \$168,000 to \$164,000.

This \$4,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4200-001-001—For support of the Department of Alcohol and Drug Programs I reduce this item from \$6,969,000 to \$5,716,000 by reducing

(a) 10-Alcohol Program from \$3,251,000 to \$2,928,000,

(b) 20-Drug Program from \$4,114,000 to \$3,184,000,

(c) 30.01-State Administration from \$4,113,000 to \$3,906,000 and

(d) 30.02-State Administration Distributed from —\$4,113,000 to —\$3,906,000

I am reducing this item from \$6,969,000 to \$5,716,000 by reducing 3.0 positions and \$104,000 from personal services and \$543,000 from operating expenses and eliminating the \$500,000 legislative augmentation for drug prevention. While I wholeheartedly support increased activity in drug prevention, particularly in relation to our State's young people, I feel that this augmentation should more properly be included in Assembly Bill 1983 now before the Legislature. The personal services savings will involve non-critical administrative positions and the operating expenses reduction reflects anticipated savings in travel, special projects, consultant services, and other categories of expenditures which will have a minimal impact on services to clients.

This reduction includes \$6,000 for merit salary adjustments that can be funded through existing resources, and \$100,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4200-001-890—For support of the Department of Alcohol and Drug Programs I reduce this item from \$2,557,000 to \$2,514,000 by reducing

(a) 10-Alcohol Program from \$1,091,000 to \$1,072,000,

(b) 20-Drug Program from \$1,466,000 to \$1,442,000

This reduction includes \$2,000 for merit salary adjustments that can be funded

through existing resources, and \$41,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4200-101-001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$63,908,000 to \$62,047,000 by reducing:

- (a) 10-Alcohol Program from \$33,315,000 to \$32,385,000,
- (b) 20-Drug Program from \$33,093,000 to \$32,162,000.

I am reducing this item from \$63,908,000 to \$62,047,000 by eliminating a discretionary COLA of \$1,861,000. Because the rate of inflation is significantly below that anticipated at the time the budget was prepared, the need for cost-of-living adjustments is not necessary to maintain the program.

Item 4220-001-001—For support of the Governor's Advisory Committee on Child Development Programs. I reduce this item from \$130,000 to \$128,000.

This \$2,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4260-001-001—For support of the Department of Health Services. I am reducing this item from \$93,886,909 to \$91,402,997 by reducing:

- (a) Personal Services from \$125,692,115 to \$124,148,395,
- (b) Operating Expenses and Equipment from \$121,352,277 to \$117,958,270,
- (c) Amount payable from the Health Care Deposit Fund from —\$102,025,676 to —\$101,894,828,
- (f) Amount payable from the Hazardous Waste Control Account from —\$7,231,967 to —\$6,404,000,
- (g) Amount payable from the Motor Vehicle Account from —\$326,053 to —\$320,053,
- (i) Amount payable from the Genetic Disease Testing Fund from —\$9,371,646 to —\$9,066,646,
- (j) Amount payable from the Federal Trust Fund from —\$7,740,683 to —\$6,071,683, and by adding
- (q) Unallocated reduction —\$485,000.

I am eliminating a Legislative augmentation of \$115,912 and 75 attorney positions. I do not believe the workload justifies this restoration.

I am reducing \$485,000 in unallocated support staff commensurate with local assistance reductions I am making in Community Health Services Program as follows:

Family Planning —\$453,000

Primary Care Grants —\$27,000

I am also reducing \$527,000 for merit salary adjustments that can be funded through existing resources, and \$1,356,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4260-001-014—For support of the Department of Health Services.

I am reducing this item from \$7,231,967 to \$6,404,000.

I am eliminating \$266,000 and 6 positions from the Office of Program and Policy Development in the Toxic Substances Control program. While I strongly support this program, and am approving a legislative augmentation of \$639,673 for inspection and permitting activities, I believe sufficient staff exists within the Toxic Substances Control program to accommodate this workload.

I also eliminate the following language relative to this augmentation:

"By October 1, 1983, the Department of Health Services shall establish a new class series for Hazardous Substance Control, Policy and Program Development Specialists, and Manager; complete open, nonpromotional examinations; establish employment lists; and complete all personnel appointment procedures necessary to ensure the continuation of the Office of Program and Policy Development."

I am eliminating the \$200,000 legislative augmentation for the study of the permeation and infiltration of toxic chemicals into pipe and pipe water mains. I believe it is more appropriate for this study to be funded by the pipe industry.

I also eliminate the following language relative to this augmentation:

"It is the intent of the Legislature that \$200,000 appropriated in this item be transferred by the Department of Health Services to the Assembly Contingent Fund for the Assembly Office of Research to contract, in consultation with the Senate Office of Research, for the commission of a research study to assess the public health impact

of the permeation and infiltration of pipe and pipe water mains by chemicals. The study shall consist of two simultaneous research components.

- (a) A literature search, which shall include the compilation of information from the following sources:
  - (i) Reports of the Lekkerkerk incident
  - (ii) Recent laboratory studies on permeation.
  - (iii) Studies of drinking water in the Love Canal area.
  - (iv) Dutch studies of the permeation of pipe by methyl bromide.
  - (v) Experience of water utilities.
  - (vi) Information from pipe manufacturers
- (b) The development and implementation of an experimental protocol to assess:
  - (i) The permeability of various types of pipe and pipe water mains.
  - (ii) The infiltration potential of:
    - (1) Gasoline and related petroleum distillates.
    - (2) Solvents
    - (3) Pesticides and herbicides
  - (iii) Long and short term permeation rates.
  - (iv) Profiles of soil characteristics throughout the state, with emphasis on soil contamination near residential areas.
  - (v) Concentrations of contaminants in soil to which water supply lines are likely to be exposed in actual use
- (c) The study will assess the likelihood of adverse human response to permeation contamination of potable water and assign, by commonly agreed upon statistical methods, the risks to the population of the permeation.
- (d) The study shall be completed by March 1, 1984, and the findings transmitted to the Joint Legislative Budget Committee, the fiscal committees of both houses, and the Assembly Committee on Consumer Protection and Toxic Materials. It is the intent of the Legislature that funds committed for this study shall not exceed \$200,000."

I am eliminating the \$300,000 legislative augmentation and 6.5 positions to monitor local water supplies. It is currently the responsibility of local purveyors to monitor water supplies. These activities are included in proposed legislation, AB 1803, and the need for an augmentation to monitor local water supplies should be proposed and considered in that legislation.

In addition, I am reducing \$61,967 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 4260-001-044—For support of the Department of Health Services. I reduce this item from \$326,053 to \$320,053.

This reduction includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$4,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4260-001-203—For support of the Department of Health Services I reduce this item from \$10,176,543 to \$9,871,543 by reducing:

- (a) Support from \$9,371,646 to \$9,066,646

This reduction includes \$9,000 for merit salary adjustments that can be funded through existing resources, and \$296,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 4260-001-890—For support of the Department of Health Services. I am reducing this item from \$200,539,751 to \$198,739,903 by reducing:

- (c) Transfer to Item 4260-001-001 from \$7,740,683 to \$6,071,683 and
- (d) Transfer to the Health Care Deposit Fund from \$66,379,739 to \$66,248,891

This reduction includes \$467,000 for merit salary adjustments that can be funded through existing resources, and \$1,202,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

I am also reducing \$130,848 from this item to reflect a corresponding reduction in reimbursements to the California Medical Assistance Commission See Item 4270-001-001 for detail

Item 4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program (Medi-Cal) I reduce this item from \$1,999,034,495 to

\$1,986,594,674 by reducing.

(b) 50.11 Medical Care and Services from \$1,932,299,052 to \$1,919,859,231.

MIA Aid Paid Pending—I am vetoing \$5.8 million from (b) Medical Care and Services to reflect more accurately the costs associated with continuing Medi-Cal benefits for Medically Indigent Adults who filed to contest their discontinuance from the Medi-Cal program as of January 1, 1983, pending their fair hearing decision. This reduction is based on the actual eligible counts and provider claims for services to these persons in 1982-83.

Medi-Cal Share of Cost—I am vetoing \$1,439,821 from (b) Medical Care and Services to reflect more accurately the costs associated with reducing the share of cost for certain Medi-Cal recipients. The Legislature augmented the Budget Bill by \$6,265,028 for this purpose, however, these costs will be less due to the requirements for implementation.

Medi-Cal Dental Services—I am vetoing \$5.2 million from (b) Medical Care and Services to bring the amount allocated for Medi-Cal dental services in line with the amount expected to be spent for such services. Due to the recent implementation of more appropriate utilization controls and a projected decrease in eligibles, it is now estimated that the amount reflected in the Budget Bill will be sufficient to fund Medi-Cal dental services.

Item 4260-106-001—For local assistance, Department of Health Services (COLA) I reduce this item from \$64,778,339 to \$35,145,372 by reducing.

(c) 25-County Health Services from \$18,191,472 to \$16,373,472

(f) 50.11-Medical Care and Services from \$41,517,000 to \$18,771,900

and by eliminating

(a) 11-Health Protection (\$178,000)

(b) 20-Community Health Services (\$3,037,000)

(d) 40-Rural Health (\$234,000)

(e) 50.10-County Administration (\$1,620,867)

Public Health Programs—I am eliminating \$3,449,000 for discretionary cost-of-living adjustments for health protection, Community Health Services and Rural Health programs. Due to the fact that inflation has been less than that anticipated in the budget that was initially developed, these additional funds should not be necessary to allow counties to maintain their operations.

Medically Indigent Adult Program—I am providing \$13,872,000 for a discretionary cost-of-living adjustment for the Medically Indigent Adult program to maintain the 70 percent level of funding proposed in the Budget. However, I am eliminating the \$1,818,000 augmentation associated with the elimination of \$59,970,000 from the Medically Indigent Adult base funding level. \$590,552 of the discretionary COLA budgeted for the support of the County Medical Services program and \$21,678 of the discretionary COLA budgeted for County Health Services population increases are being retained.

As the Medically Indigent Adult program is a new program, I believe it is imperative to maintain the program at the 70 percent level provided in the Budget. I, additionally, approved the augmentation for support of the County Medical Services program in order that small counties will be able to contract back with the State for the administration of Medically Indigent Adult services.

Medi-Cal Dental Services COLA—I am reducing (f) Medical Care and Services by \$6.7 million to eliminate the funds that will not be necessary in the Medi-Cal dental program. Due to the recent implementation of new utilization controls and a decrease in eligibles, the cost of Medi-Cal dental services is expected to be less in FY 1983-84 than in FY 1982-83, even after an increase for inflation is provided. Therefore, the additional funds are not necessary and can be deleted without adverse impact on Medi-Cal dental services.

Discretionary COLA-Other Providers—I am reducing (f) Medical Care and Services by \$11,515,000 in order to eliminate the 3 percent discretionary cost-of-living adjustment for Medi-Cal providers (excluding hospital inpatient, nursing homes, PHPs, CDS, drugs and RHf). Due to the fact that inflation has been less than anticipated in the budget that was initially developed, these additional funds should

not be necessary to continue the provision of services

Nursing Home COLA—I am reducing (f) Medical Care and Services by \$4,530,100 to reflect the amount needed for cost-of-living adjustments to nursing home rates. Based on the annual study of actual nursing home costs, it is now estimated that only \$8,077,100 will be needed for rate increases, rather than the \$12,607,200 provided in the Budget Bill.

Discretionary COLA-County Administration—I am vetoing the \$1,620,867 cost-of-living adjustment budgeted for (e) county administration of the Medi-Cal program. Due to the fact that inflation has been less than anticipated in the budget that was initially developed, these additional funds should not be necessary for counties to maintain their operations.

Item 4260-101-890—For local assistance, Department of Health Services, Medical Assistance Program (Medi-Cal) I reduce this item from \$1,997,628,288 to \$1,990,887,467 by reducing.

(b) 50.11 Medical Care and Services from \$1,910,522,200 to \$1,903,781,379.

This action conforms to the reductions made in Item 4260-101-001 (b) and includes the following corresponding reductions

Medi-Cal Share of Cost \$1,440,821

Medi-Cal Dental Service \$5,300,000

Item 4260-106-890—For local assistance, Department of Health Services (COLA) I reduce this item from \$43,333,446 to \$18,445,000 by reducing.

(b) 50.11-Medical Care and Services from \$41,573,700 to \$18,445,000 and by eliminating

(a) 50.10-County Administration (\$1,759,746)

This action conforms to the reductions made in Item 4260-106-001 and include the following corresponding reductions

Medi-Cal Dental Services COLA-\$6,800,000-Category (b)

Discretionary COLA-Other Providers-\$11,819,000-Category (b)

Nursing Home COLA-\$4,509,700-Category (b)

Discretionary COLA-County Administration-\$1,759,746-Category (b)

Item 4260-111-001—For local assistance, Department of Health Services I reduce this item from \$1,000,210,322 to \$926,492,322 by reducing

(c) Community Health Services from \$97,393,000 to \$83,645,000 and

(d) County Health Services from \$889,443,322 to \$829,473,322

I am eliminating the legislative augmentation of \$59,970,000 for Medically Indigent Adult Services. However, I am approving the \$25 million augmentation from one-time funds for County Health Services. In deriving the level of funding for MIAs, I have used the same methodologies used by the Medi-Cal Reform Task Force. The level of funding that I am providing is based upon a recalculation of updated and refined projections of what Medi-Cal would have spent had the MIA transfer not occurred. I believe this level of funding, combined with the \$13,874,000 COLA, I am also approving, is sufficient as counties will be able to achieve significant savings through the delivery of services in their own county health systems. I would have desired to provide funding for Medically Indigent Adult Services at a level closer to that recommended by the Assembly. Because of the statutory nature of the one-time \$25 million Augmentation to the County Health Services program, however, it was necessary to approve the increased funds in that program. It is my intention to work closely with the Legislature and the counties to determine if the one-time augmentation to County Health Services could be used to provide additional services under the Medically Indigent Adult program.

I am eliminating the \$3,248,000 legislative augmentation for the California Children's Services program. I am additionally eliminating \$3,248,000 in Item 4260-111-890 which was legislatively augmented from the Federal "Jobs Bill" for AB 2821 perinatal programs. I believe that these Federal funds should be used to meet caseload increases in the California Children's Services program.

I am eliminating the \$350,000 legislative augmentation for Adult Day Health Care Centers. This augmentation is associated with legislation which would authorize the start up of additional Adult Day Health Care Centers. The legislation however, does

not provide funding for start-up costs, including construction of facilities and licensing costs I believe it is more appropriate to fund these costs in the legislation and not in the Budget. I will, however, be working with the Legislature to construct an overall master plan for the development of Adult Day Health Care Centers throughout the State.

I am also eliminating the following language relative to this augmentation

"The sum of \$350,000 is appropriated for the purpose of funding start-up costs of Adult Day Health Care Centers. These funds shall be used in accordance with the provisions of Chapter 473, Statutes of 1982. However, if SB 134 of the 1983-84 Regular Session is chaptered, the provisions of that bill shall apply to the appropriation."

I am reducing the Family Planning program by \$9,500,000 and the Primary Care Grant program by \$650,000. Although I support the general purposes of these programs, they have grown rapidly in the past few years and I feel that they should not continue at this level until a thorough evaluation of their efficiency and effectiveness can be determined.

Item 4260-111-890—For local assistance, Department of Health Services. I reduce this item from \$24,096,800 to \$19,281,800 by reducing:

(c) 20-Community Health Services from \$23,631,000 to \$18,816,000

I am eliminating the \$100,000 legislative augmentation for primary care clinics. I do not believe that the need for this augmentation has been satisfactorily demonstrated.

I also eliminate the following language relative to this augmentation:

"\$100,000 shall be allocated to the Primary Care Grants program to provide for cost effective health services to persons who are not otherwise eligible for Federal or State subsidized programs as authorized in Section 1247(b) of the Health and Safety Code."

I am eliminating the \$4,715,000 legislative augmentation for AB 2821 (Chapter 1112, Statutes of 1982) perinatal programs. I believe these funds should more appropriately be used to meet the \$3,248,000 California Children's Services caseload increases. The remaining \$1,467,000 will be used to offset potential further CCS caseload increases. However, if these increases do not occur, I will work with the Legislature to use these Federal funds for perinatal programs. I also eliminate the following language relative to this augmentation.

"\$4,715,000 appropriated in this item shall be allocated to maternal and child health, to be expended on programs which meet the mandate of Chapter 1112 of the Statutes of 1982."

Item 4260-301-036—For capital outlay, Department of Health Services. I reduce this item from \$565,000 to \$209,000 by eliminating:

(a) 94.70 040-Autoclave Replacement—Phase IV—Berkeley Lab Facility (\$356,000)

I am reducing this item by \$356,000. Given the limited amount of capital outlay funds available I am postponing this project for one year. This deferral will not have a detrimental effect on ongoing State programs nor will it result in a compromise of public safety or the loss or deterioration of the State's investment.

Item 4260-301-189—For capital outlay, Department of Health Services. I eliminate this item.

I eliminate this item for a savings of \$68,000. Deferral of these minor capital outlay projects for the 1983-84 fiscal year will not have a detrimental effect on ongoing State programs nor will it result in a compromise of public safety or the loss or deterioration of the State's Investment.

Item 4270-001-001—For support of the California Medical Assistance Commission. I reduce this item from \$991,316 to \$833,888 by reducing:

(a) 10000-Personal Services from \$1,297,487 to \$1,125,111,

(b) 30000-Operating Expenses and Equipment from \$588,521 to \$472,621 and

(c) Reimbursements from -\$894,692 to -\$763,844.

This reduction includes \$9,216 for merit salary adjustments that can be funded through existing resources, and \$14,414 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

In addition, I am vetoing \$133,798 General Fund and 8.0 positions added to the budget to provide personal staff for the Commissioners. The staff of the Governor's



Office on Special Health Care Negotiations reported to the Commission effective July 1, 1983 and any necessary reorganization of support staff can be effected as directed by the Commission.

Item 4300-001-001—For support of the Department of Developmental Service State Operations I reduce this item from \$16,957,478 to \$16,528,478 by reducing:

- (a) Community Services Program from \$9,643,284 to \$9,393,284,
- (b) State Hospital Services from \$8,154,194 to \$7,975,194
- (c) Administration from \$17,797,478 to \$17,797,049, and
- (d) Administration Distributed from —\$17,797,478 to —\$17,797,049.

This reduction included \$210,000 for merit salary adjustments that can be funded through existing resources, and \$219,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4300-101-001—For local assistance, Department of Developmental Services, Regional Centers. I am reducing this item from \$234,603,450 to \$219,306,348 by reducing:

- 10.10-Regional Centers from \$225,053,000 to \$219,171,348,
- 10.10.010-Regional Center Operations from \$79,755,000 to \$73,873,348,
- (a) Personal Services from \$65,434,000 to \$59,654,998,
- (b) Operating Expenses and Equipment from \$14,321,000 to \$14,218,350,
- 10.10 020-Purchase of Services from \$145,298,000 to \$145,298,000,
- (d) Day Programs from \$31,484,000 to \$31,484,000, and by eliminating
- (m) Special Adjustment Cost-of-Living Increase by eliminating (\$9,415,450.)

I am reducing this item by \$15,599,102. With the exception of the discretionary cost-of-living adjustment, I am approving an increased program level for services to individuals with developmental disabilities in comparison to the budget presented by me in January. I believe the approved budget will provide the services needed by persons with developmental disabilities. The goal of these reductions is to promote efficiency in the delivery of services and to provide equity in the method of funding regional centers and State hospitals.

I am reducing \$2,381,652 from the regional center program to reflect the transfer of casemanagement duties for State hospital clients from regional center to State hospital staff. Presently, there is duplication of duties between regional center and State hospital staff. Given the day-to-day client contact with hospital employees, it is more appropriate for hospital staff to assume casemanagement. Continued regional center participation is necessary during preparations for admission and when clients are referred for placement into the community. Therefore, I am directing the Department of Developmental Services to contract with regional centers to provide 25 casemanagers to insure a smooth transition during admission and placement.

Additionally, \$3.5 million for regional center personal services has been reduced in consideration of instituting a 5 percent salary savings factor which is less than that contained in the Department's support budget.

I am reducing \$9,415,450 for discretionary COLA. Since the rate of inflation is significantly below the level anticipated at the time the budget was prepared, the need for a cost-of-living adjustment has substantially lessened.

Item 4300-101-036—For local assistance, Department of Developmental Services, Capital Outlay. I eliminate this item.

I am eliminating this item which appropriates funds to develop new community programs for State hospital residents. The State hospitals are now ahead of schedule in meeting the October 1987 reduced population target. While I support the continued movement of persons with developmental disabilities into the community, the need for these funds has not been established. However, the Department of Developmental Services shall prepare a plan which identifies any additional need and the level of funding necessary for persons with developmental disabilities who reside in State hospitals but could be appropriately placed in the community if services were available.

Item 4300-111-001—For local assistance, Department of Developmental Services, State Hospitals. I reduce this item from \$331,281,054 to \$326,651,054 by reducing:

- (b) State Hospital Services program from \$428,141,543 to \$423,639,543, and by eliminating

## (c) Special Adjustment—Cost-of-Living Increase (\$128,000)

I am reducing this item from \$331,281,054 to \$326,651,054 by reducing \$4,630,000. This reduction includes \$2,679,000 for merit salary adjustments that can be funded through existing resources, and \$1,603,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. Additionally, this eliminates 11 positions and \$220,000. This will reduce one position for Affirmative Action and Clients Rights in each State hospital. The reduction is being made in recognition of a duplication of effort between hospital and headquarters staff and the need for these resources in alternative critical areas.

I am also reducing \$128,000 from discretionary COLA. Since the rate of inflation is significantly below the level anticipated at the time the budget was prepared, the need for a cost-of-living adjustment has substantially lessened.

Item 4300-301-036—For capital outlay, Department of Developmental Services. I reduce this item from \$6,825,000 to \$6,582,000 by eliminating:

(f) Camarillo State Hospital 55 20 015.020-fire and life safety and environmental improvements—items to complete phase I, construction (\$243,000)

I am reducing this item by \$243,000. Given the limited amount of capital outlay funds which are available, I am deferring this project for one year. This deferral will not have a detrimental effect on ongoing State programs nor will it result in a compromise of public safety or the loss or deterioration of the State's investment.

Item 4440-001-001—For support of the Department of Mental Health I reduce this item from \$25,147,250 to \$24,575,250 by reducing

(a) Community Services from \$11,333,345 to \$10,846,345,

(b) State Hospital Services from \$4,916,000 to \$4,806,000, and

(e) (1) Reimbursements—Mental Health Social Services from —\$3,427,284 to —\$3,427,248

This reduction includes \$243,000 for merit salary adjustments that can be funded through existing resources, and \$329,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4440-001-890—For support of the Department of Mental Health, payable from the Federal Trust Fund I reduce this item from \$996,000 to \$991,000 by reducing

(a) Community Services from \$920,000 to \$915,000

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 4440-011-001—For support of the State Hospitals, Department of Mental Health I reduce this item from \$80,485,955 to \$78,569,955 by reducing

(c) State Hospital Services—Penal Code Judicially Committed from \$91,754,625 to \$89,931,625, and

(d) State Hospital Services—Other from \$4,878,000 to \$4,785,000

This reduction includes \$962,000 for merit salary adjustments that can be funded through existing resources, and \$871,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Also, I am reducing \$83,000 and 3 positions to consolidate the Affirmative Action and Clients' Rights Offices within each State hospital. This reduction is being made in recognition of a duplication of effort between hospital and headquarters staff and of the need for these resources in other critical areas.

Item 4440-101-001—For local assistance, Department of Mental Health I reduce this item from \$345,062,036 to \$316,961,036 by reducing

(a) Community Residential Treatment System from \$15,702,000 to \$15,319,000,

(b) Other Treatment from \$293,621,000 to \$276,436,000,

(c) Community Outreach from \$35,944,000 to \$35,444,000,

(d) Other Community Programs from \$30,839,036 to \$30,693,036, and by eliminating

(g) Special Adjustment—Cost-of-Living Adjustment (\$9,887,000)

With the exception of the discretionary cost-of-living adjustment, which is eliminated due to decreases in the rate of inflation, I am approving an increased program level for the State's mental health services in comparison to the budget presented by me on January 10, 1983. I believe that this level of funding is needed to

meet the needs of the State's mentally ill population. The following reflects those adjustments which have been determined to have the least impact upon the delivery of services.

This reduction includes \$21,000 for merit salary adjustments that can be funded through existing resources, and \$29,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

I am eliminating the \$9,156,000 legislative augmentation for local mental health services. I believe that a more aggressive and uniform enforcement by counties of local mental health revenue provisions will produce the increased revenue funding to provide the essential mental health services.

I am eliminating \$5,779,000 of the legislative augmentation for local mental health services. This reduction represents one-half of the net additional savings anticipated to result from the maximum rate of reimbursement provisions established for the local mental health program pursuant to Chapter 328, Statutes of 1982. I believe that this level of funding is consistent with the goal of these cost containment provisions but, yet, acknowledges the program efficiencies recently implemented by local mental health programs

I am eliminating the \$383,000 legislative augmentation for Community Residential Treatment System services. I believe that this reduced level of funding is sufficient to provide needed services and the augmentation is not supported by an expenditure plan.

I am reducing \$9,983,000 for discretionary COLA. Since the rate of inflation is significantly below the level anticipated at the time the budget was prepared, the need for a cost-of-living adjustment has substantially lessened. These reductions impact Other Community Programs by \$96,000 and Special Adjustment—Cost-of-Living Adjustment by \$9,887,000

I am eliminating the \$500,000 legislative augmentation for local mental health primary prevention projects. I believe that these projects should be supported from the funding sources prescribed within Chapters 1280 and 1289 of the Statutes of 1982. In the event that sufficient funds do not become available pursuant to these provisions, then the counties may support these projects from the State appropriation made available to counties for local mental health services

I am reducing by \$2,250,000 or by 50 percent the base funding level for local mental health training activities budgeted within Other Treatment. I believe that this reduced level of funding is sufficient to meet the essential training needs of local mental health programs

Item 4440-121-001—For local assistance, Department of Mental Health, State Hospital Services, Lanterman-Petris-Short Act. I reduce this item from \$128,707,203 to \$126,422,203.

This reduction includes \$1,122,000 for merit salary adjustments that can be funded through existing resources, and \$763,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

In addition, I am reducing \$400,000 from the medical residency program to adjust the size of the recruitment and training efforts to equal the current level of State hospital needs. This reduction will continue essential program components and is made possible due to the supply of mental health professionals being produced by the university system

Item 1100-001-001—For support of the Employment Development Department. I reduce this item from \$53,853,000 to \$32,887,000 by reducing:

(a) 10-Employment and Employment Related Services from \$42,924,000 to \$22,078,000,

(b) 20-Tax Collections and Benefit Payments from \$14,677,000 to \$14,557,000

I am reducing this item from \$53,853,000 to \$32,887,000 by reducing Schedule (a) Employment and Employment Related Services from \$42,924,000 to \$22,078,000 and Schedule (b) Tax Collections and Benefit Payments from \$14,677,000 to \$14,557,000. Included in these reductions are \$1,169,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate and the following individual reductions:

(1) \$2,606,000 from the Employment Preparation program which can be funded

with Federal Work Incentive Funds.

(2) \$10,480,000 which eliminates the California Worksite Education and Training Program. Due to the enactment of Chapter 1074, Statutes of 1982 (AB 3461), the Employment Training (ET) Panel was created to oversee \$55 million in a newly created ET Tax. This Panel is responsible for the fostering job creation to unemployed or potentially displaced individuals. Because of this new program, this elimination can be made without reducing services in the job training area.

(3) \$5,698,000 from the California Youth Employment and Development Act which can be funded with Federal Job Training Partnership Act Funds.

(4) \$1,013,000 from Re-employment Assistance for Displaced Workers. This reduction can be made without reducing services to displaced workers due to the new Employment Training Fund and funds available specifically for displaced workers under the Federal Job Training Partnership Act.

While I fully support the activities outlined above and their levels of activity, those levels can be maintained with Federal funds and the new Employment Training Fund.

I am instructing the Director of the Employment Development Department to work with the Employment Training Panel and the State Job Training Coordinating Council to assure that services to clients are not adversely affected by using alternative funding sources.

Item 5100-001-185—For support of the Employment Development Department. I reduce this item from \$10,848,000 to \$10,641,000 by reducing:

(a) 10-Employment and Employment Related Services from \$1,013,000 to \$1,006,000.

(b) 20-Tax Collections and Benefit Payments from \$8,856,000 to \$8,703,000, and

(c) 30.01-General Administration from \$979,000 to \$932,000.

This \$207,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5100-001-588—For support of the Employment Development Department. I reduce this item from \$48,251,000 to \$47,718,000.

This \$533,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5160-001-001—For support of the Department of Rehabilitation. I reduce this item from \$16,216,000 to \$15,942,000 by reducing:

(a) 10-Vocational Rehabilitation Services from \$18,345,000 to \$18,071,000.

This reduction includes \$36,000 for merit salary adjustments that can be funded through existing resources, and \$238,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5160-001-890—For support of the Department of Rehabilitation. I reduce this item from \$73,768,000 to \$72,672,000 by reducing:

(a) 10-Vocational Rehabilitation Services from \$72,937,000 to \$71,841,000.

This reduction includes \$144,000 for merit salary adjustments that can be funded through existing resources, and \$952,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5160-101-001—For local assistance, Department of Rehabilitation. I reduce this item from \$43,999,000 to \$42,239,000 by reducing:

(a) 10-Vocational Rehabilitation Services from \$196,000 to \$190,000,

(b) 20-Habilitation Services Program from \$39,764,000 to \$38,619,000, and

(c) 30-Support of Community Facilities from \$4,039,000 to \$3,430,000.

Included in these reductions are \$1,254,000 for discretionary Cost-of-Living Adjustments which are not yet in the base budget and, therefore, will not reduce the funding level of existing programs. Since the rate of inflation is significantly below that anticipated at the time the budget was prepared, the need for cost-of-living adjustments has been substantially lessened. Additionally, the reductions include \$506,000 for the Independent Living Centers (ILCs). This augmentation was provided without sufficient justification of the necessity for these additional funds.

Item 5180-001-001—For support of the Department of Social Services. I reduce this item from \$48,397,000 to \$46,672,000 by reducing:

- (a) 10-Welfare Program Operations from \$15,362,000 to \$15,154,000, and
- (b) 30-Community Care Licensing from \$14,854,000 to \$14,204,000 and by adding
- (j) Unallocated Reduction — \$867,000.

I am reducing the item by \$650,000 to meet the requirements set forth in AB 223 (trailer bill).

I am also eliminating a legislative augmentation of \$208,000 and 6.9 legal positions because the staff are not required to carry out the mission of the Department.

I am reducing \$330,000 for merit salary adjustments that can be funded through existing resources, and \$537,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 5180-001-866—For support of the Department of Social Services. I reduce this item from \$103,468,000 to \$102,354,000 by reducing.

- (a) 10-Welfare Program Operations from \$27,390,000 to \$27,328,000 and by adding
- (g) Unallocated Reduction — \$1,052,000

I am reducing \$62,000 for attorney position because I believe adequate legal staff is contained in the budget. This reduction of \$396,000 for merit salary adjustments that can be funded through existing resources and \$656,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 5180-101-001—For local assistance, Department of Social Services. I reduce this item from \$1,332,883,000 to \$1,326,283,000 by reducing.

- (a) 10.04.005-Aid to Families with Dependent Children from \$1,314,004,000 to \$1,307,404,000.

I am reducing this item by \$6,600,000 to implement current statute regarding the effective date of the first AFDC aid payment. Current law provides that aid begin on the day of eligibility or the first of the following month, but no later than 30 days from the date of application. Therefore, I am directing the Department to promulgate regulations to conform to current law

Item 5180-101-866—For local assistance, Department of Social Services. I reduce this item from \$1,514,878,000 to \$1,506,978,000 by reducing

- (a) 10.04.005-Aid to Families with Dependent Children from \$1,493,027,000 to \$1,485,127,000.

I am reducing this item by \$7,900,000 to correspond with the action taken in Item 5180-101-001 to implement current statute regarding the effective date of the first AFDC aid payment

Item 5180-141-001—For local assistance, Department of Social Services. I reduce this item from \$113,473,000 to \$113,273,000 by reducing.

- (a) County Administration from \$113,473,000 to \$113,273,000.

I am reducing this item by \$200,000 to eliminate an augmentation for the enhancement of an EDP system in Orange County

Item 5180-151-001—For local assistance, Department of Social Services. I reduce this item from \$152,454,000 to \$151,865,000 by reducing

- (b) (1) In Home Supportive Services (IHSS) from \$114,022,800 to \$113,433,800

I am reducing this item by \$589,000 for IHSS. I believe the additional Federal funds made available in Item 5180-151-866 provide adequate funding for these programs.

Item 5180-161-001—For local assistance, Department of Social Services. I reduce this item from \$9,707,200 to \$7,357,200 by reducing.

- (a) 30-Community Care Licensing from \$9,707,200 to \$7,357,200.

I am reducing this item by \$2,350,000 to reflect an appropriate funding level to operate the expanded Family Day Care Home Licensing Program because the \$4,650,000 remaining augmentation to the budget meets the conditions set forth in the trailer bill

Item 5180-181-001—For local assistance, Department of Social Services. I reduce this item from \$205,188,900 to \$195,727,400 by reducing

- (c) Social Services from \$13,259,500 to \$8,050,400, and
- (e) AFDC from \$59,941,000 to \$59,677,000, and by eliminating:
  - (b) County Administration (\$3,697,400) and
  - (d) Community Care Licensing (\$291,000)

I am reducing discretionary cost-of-living increases in this item by \$9,197,500. Given

that the rate of inflation is significantly lower than when the budget was introduced in January and that the state still faces severe fiscal constraints, I do not believe discretionary COLAs are necessary except for the providers of IHSS services. I am also reducing AFDC COLA by \$264,000 to conform to reductions in Item 5180-101-001

Item 5180-181-866—For local assistance, Department of Social Services I reduce this item from \$80,306,300 to \$67,263,000 by reducing:

- (c) AFDC from \$67,579,000 to \$67,263,000, and by eliminating
- (a) County Administration (\$11,947,100)
- (b) Social Services Programs (\$780,200)

I am reducing discretionary cost-of-living increases in this item by \$12,727,300. Given that the rate of inflation is significantly lower than when the budget was introduced in January and that the state still faces severe fiscal constraints, I do not believe discretionary COLAs are necessary. This conforms to action taken in Item 5180-818-001. I am also reducing the AFDC COLA by \$316,000 to conform to reductions in Item 5180-101-866.

Item 5190-001-142—For support of the California Health Facilities Commission I reduce this item from \$3,653,000 to \$3,548,000 by reducing.

- (a) Personal Services from \$2,357,000 to \$2,309,000, and
- (b) Operating Expenses and Equipment from \$1,373,000 to \$1,316,000

This reduction includes \$48,000 for merit salary adjustments that can be funded through existing resources, and \$57,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5240-001-001—For support of the Department of Corrections. I reduce this item from \$581,301,000 to \$558,624,000 by reducing

- 21-Institutions Program from \$501,626,000 to \$510,244,000
- 31-Community Correctional Program from \$56,763,000 to \$55,468,000
- 41 01-Administration from \$37,710,000 to \$37,216,000
- 41 02-Distributed Administration from -\$37,710,000 to -\$37,216,000

This reduction includes \$1,235,000 for merit salary adjustments that can be funded through existing resources, and \$12,316,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. In addition, I am further reducing this item by \$9,126,000 by increasing salary savings and higher counselor and education formula staffing ratios.

Item 5430-001-001—For support of the Board of Corrections. I reduce this item from \$255,000 to \$252,000 by reducing

Program 10—Board of Corrections from \$255,000 to \$252,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$2,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5440-001-001—For support of the Board of Prison Terms. I reduce this item from \$6,289,000 to \$6,159,000 by reducing

Program 10—Board of Prison Terms and \$6,289,000 to \$6,159,000

This reduction includes \$14,000 for merit salary adjustments that can be funded through existing resources, and \$116,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 5450-001-001—For support of the Youthful Offender Parole Board. I reduce this item from \$2,252,000 to \$2,156,000 by reducing

Program 10—Youthful Offender Parole Board from \$2,252,000 to \$2,156,000

This reduction includes \$16,000 for merit salary adjustments that can be funded through existing resources, and \$30,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. In addition, I am further reducing this item by \$50,000 in general operating expenses to reflect anticipated savings.

Item 5460-001-001—For support of the Department of the Youth Authority. I reduce this item from \$181,265,000 to \$170,651,000 by reducing

- (a) 10-Prevention and Community Corrections from \$3,301,000 to \$3,058,000,
- (b) 20-Institutions and Camps from \$162,651,000 to \$155,175,000,
- (c) 30-Parole Services from \$26,262,000 to \$23,397,000,

(d) 40-Planning, Research, Evaluation and Development from \$1,739,000 to \$1,709,000,

(e) 50 01-Administration from \$10,454,000 to \$9,279,000,

(f) 50 02-Distributed Administration from —\$10,454,000 to —\$9,279,000

This reduction includes \$1,074,000 for merit salary adjustments that can be funded through existing resources, and \$2,571,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. This item is also being reduced by \$1,700,000 and 34 positions to increase parole agent caseload pursuant to a recommendation developed by the Government Efficiency Teams. In addition I am further reducing this item by \$3,708,000 in general operating expense reductions, and \$1,561,000 and 68 positions in administrative staffing, to reflect savings which the Department will realize as a result of increased efficiencies.

Item 5460-101-001—For local assistance, Department of the Youth Authority I reduce this item from \$67,034,000 to \$65,150,000 by eliminating

(e) Special adjustment—Cost of Living Increase (\$1,884,000)

I am deleting the cost-of-living increase of \$1,884,000 for the County Justice System Subvention Program (AB 90), adequate funds are available under the new block grant funding formula and should provide increased flexibility to counties to meet AB 90 expenditure priorities

Item 6100-001-001—For support of Department of Education. I reduce this item from \$26,093,000 to \$23,512,000 by reducing.

(a) 10-Instruction from \$14,926,000 to \$14,702,000

(1) Total Instruction from \$16,224,000 to \$16,000,000

(b) 20-Instructional Support from \$3,721,000 to \$3,510,000

(1) Total Instructional Support from \$4,006,000 to \$3,855,000 and increasing

(2) Reimbursement from —\$285,000 to —\$345,000 and reducing

(c) 30-Special Programs from \$6,402,000 to \$6,155,000

(1) 30-Total Special Programs from \$6,428,000 to \$6,181,000

(d) 40.01-Department Management and Special Services from \$23,409,000 to \$22,010,000 and Increasing

(f) 97 20-Unallocated reduction from —\$3,500,000 to —\$4,000,000

Included in these reductions are \$28,000 for merit salary adjustments that can be funded through existing resources, and \$403,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

In addition, I am reducing \$125,000 of the \$270,000 in this item for administration of the Investment in People Program. The major portion of the workload associated with the implementing of the program was of a one-time nature. Ongoing activities can be accomplished within the revised level of support for the Staff Development Program.

I am also reducing \$60,000 in General Fund support for the Instructional Materials Program. I believe that publishers should participate in the support of the normal adoption process, and that the Department of Education should establish appropriate fees to replace the General Fund reduction.

I am also reducing \$140,000 and 96 positions from the Child Development Program to reflect a transfer of licensing activities to the Department of Social Services.

I am also reducing \$1,325,000 of the \$10,899,000 provided for consultant and professional services, and reducing support by an additional \$500,000 to be determined by the Department of Education on a priority basis.

Item 6100-001-178—For support of the Department of Education. I reduce this item from \$254,000 to \$248,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6100-001-305—For support of the Department of Education. I am reducing this item from \$986,000 to \$975,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded

through existing resources, and \$10,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6100-001-344—For support of the Department of Education. I reduce this item from \$495,000 to \$489,000

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6100-006-001—For support of the Department of Education, State Special Schools. I reduce this item from \$30,554,000 to \$30,095,000 by reducing:

(a) Instruction from \$35,455,000 to \$34,996,000

This reduction includes \$231,000 for merit salary adjustments that can be funded through existing resources, and \$228,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6100-011-001—For support of the Department of Education, California State Library I reduce this item from \$7,846,850 to \$7,220,000 by reducing:

(a) 50-Library Services from \$7,859,850 to \$7,233,000

This reduction includes \$45,000 for merit salary adjustments that can be funded through existing resources, and \$230,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. In addition, I have eliminated \$351,850 and 3 positions which the Legislature added to initiate a 5 year microfilming project. Although this project has worthwhile potential, the State Library indicates that these materials are not in immediate jeopardy. Therefore, I believe that this project can be deferred to allow these funds to be used for higher priority education programs

Item 6100-101-001—For local assistance, Department of Education. I reduce this item from \$5,370,741,000 to \$5,338,094,000 by reducing:

2.e. Program 10-Instruction, for Regional Occupational Centers and Programs from \$165,668,000 to \$153,021,000 and by eliminating

2.d Program 10.10-for School Apportionments.

I am reducing this item by \$12,647,000 to eliminate funding for 9th and 10th grade Regional Occupational Centers and Program (ROC/P) students. The job-specific training provided by ROC/Ps is most beneficial to students in the 11th and 12th grade who are ready to enter the job market. I am eliminating funding for 9th and 10th grade students to ensure that General Fund dollars are spent in the most cost-effective manner.

I am also eliminating \$20,000,000 provided in this item for districts that would receive less revenue in the 1983-84 fiscal year compared to the 1982-83 fiscal year because Senate Bill 813 provides full funding to ensure that no district experiences a reduction in revenue in the 1983-84 fiscal year

Item 6100-114-001—For local assistance, Department of Education, Court Mandates. I reduce this item from \$168,811,000 to \$138,816,000 and delete all language in reference to Section 42248 of the Education Code and the following language:

4. Funds appropriated by this item are for the purpose of funding desegregation programs under the provisions of Sections 42243 6 and 42248 of the Education Code in Los Angeles Unified, San Diego Unified, San Bernardino Unified, Stockton Unified, and San Francisco Unified School Districts.

5. In the event funds in this item are reduced below the level approved by the Legislature, the Controller shall replace the funds from those funds, if any, in Item 6100-115-001, to the extent that funds are available in that item.

I am eliminating the \$7,950,000 augmentation for the new court-mandated San Francisco desegregation program and the \$20,407,000 legislative augmentation for a possible increase in 1983-84 claims. Claims for funding exceeding the amount provided in the Governor's Budget should follow the normal Board of Control process before additional funds are appropriated

I am also reducing this item by \$1,638,000 to conform to the provisions of the budget trailer bill (AB 223).

I delete all language in reference to Section 42248 of the Education Code and language in Provisions 4 and 5 because the appropriations associated with this



language have been eliminated.

Item 6100-115-001—For local assistance of the Department of Education, Voluntary Desegregation Claims I eliminate this item

Chapter 1619, Statutes of 1982 (SB 550) provides for voluntary desegregation claims to be submitted to the Board of Control for reimbursement and authorizes the Board to include approved claims in a subsequent claims bill. This process should be followed to ensure a thorough review of such claims by the Legislature and the Administration before funds are appropriated for this purpose.

Item 6100-156-001—For local assistance, Department of Education I reduce this item from \$152,918,000 to \$149,218,000 by reducing

(a) 10.50-Adult Education from \$153,005,000 to \$149,305,000.

I am reducing this item by \$3,700,000 to eliminate State adult education funding for home economics and health and safety courses because most courses in these areas are either recreational or can be taken elsewhere.

Item 6100-161-001—For local assistance, Department of Education, Special Education I reduce this item from \$755,980,000 to \$714,880,000. I delete the language in provisions 3, 10, and 11 and delete language in provision 6 as follows

~~6 Notwithstanding Provision 2 of Item 6100-161-001 of the Budget Act of 1982 as amended by Chapter 1201, Statutes of 1982~~, of the amount appropriated by this item, ~~\$58,000,000~~ \$23,500,000 shall be used to fund any deficiency in Item 6100-161-001 of the Budget Act of 1982.

I am eliminating the \$27,000,000 augmentation for the 1982-83 special transportation deficiency. This is consistent with the intent of Chapter 1201, Statutes of 1982 (SB 1345) to set a limit on funds for special transportation

I am reducing from \$31,000,000 to \$23,500,000 the augmentation for the 1982-83 special education program deficiency consistent with the Department of Education's estimate of the program deficiency at the end of the fiscal year.

I am eliminating the \$3,600,000 augmentation to replace State funds used to match PL 94-482 Vocational Education grants for handicapped students. Since the State match is for the purpose of education handicapped students, the services should be funded from district's base entitlements.

I am eliminating the \$3,000,000 augmentation for special education program growth. Special education program growth should not be authorized until cost standards and guidelines are developed and implemented to contain costs and until significant program changes are made to permit the program to be administered more efficiently.

I delete the language in provision 3, 10, and 11 and revise the language in Provision 6 which were added by the Legislature because the corresponding appropriation for this language has been reduced or eliminated

Item 6100-191-001—For local assistance, Department of Education I reduce this item from \$11,226,000 to \$7,858,000 by reducing.

(a) School Personnel Staff Development from \$3,354,000 to \$819,750, and by eliminating

(d) Exemplary programs (\$833,750)

Included in this reduction is the elimination of \$833,750 for Exemplary Programs and \$2,534,000 for School Personnel Staff Development

In order to increase resources for educational reform I am reducing funding for certain non-classroom activities. I will restore funds to improve the classroom situation as part of comprehensive education reform legislation.

Item 6100-196-001—For local assistance, Department of Education. I am eliminating the following language from Item 6100-196-001 which authorizes the carry-over of unexpended Child Care Program funds into fiscal year 1983-84.

"13 (a) Notwithstanding Section 13340 of the Government Code, or any other provision of law to the contrary, any child development funds allocated to provider agencies but unearned by those agencies at the end of the 1982-83 fiscal year shall be reappropriated for expenditure by June 30, 1984, for purposes of subdivisions (b) and (c) of Section 8278 of the Education Code and transferred to a special account for child development carry-over funds to be established and maintained by the Department

of Education.

(b) The Superintendent of Public Instruction shall redistribute carry-over funds among ongoing provider agencies, for the Department's accounts payable, for the purchase of Department of Education approved materials, or for one-time only capital outlay pursuant to Section 8277.7 of the Education Code or for one-time only services, or for any combination of the above, that will directly benefit the children enrolled in the programs during subsequent fiscal years.

(c) First priority for the redistribution of carry-over funds shall be given to those agencies which are due past year's payments as determined from audits by the Department of Education.

(d) In order to maintain the viability of alternative payment programs and to maximize services provided by this program, the Department of Education shall establish and maintain a contingency fund for alternative payment programs. This fund shall be used to reimburse actual and allowable costs incurred for additional services. Applicants may apply for an amount not to exceed \$5,000 or 2 percent of the contract amount, whichever is greater. This fund shall be established from alternative payment program fund balances. Applicants receiving funds for two consecutive years under this section may not apply the following year.

Notwithstanding Section 1340 of the Government Code, or any other provision of law to the contrary, money for this fund shall be provided by reappropriating the unencumbered balances of the budget act appropriation for the alternative payment program for expenditure by June 30, 1984.

(e) The Superintendent of Public Instruction in cooperation with the Department of Finance and the Auditor General, shall, on or before July 1, 1983, provide for a plan for independent audit of state and federal funds allocated to private agencies which are under contract with the Department of Education for the provision of educational services.

For the purpose of this provision, "educational services" includes, but is not limited to, child nutrition and child development services.

To the maximum extent possible, the plan shall conform to audit procedures established pursuant to Section 41020.5 of the Education Code.

(f) Effective July 1, 1983, the Department of Education, as a condition to any contract with a private agency for the provisions of educational services, shall require a periodic audit of state and federal funds to be conducted by departmental staff auditors or a certified public accountant or public accountant who is licensed by the California State Board of Accountancy. The audit shall be limited to those state and federal funds accruing to the private agency as a result of its contract with the Department of Education.

(g) If in the course of audits of a private agency, an audit exception is reported by the certified public accounting firm in excess of material amount, as determined by the Superintendent of Public Instruction, the Superintendent of Public Instruction shall, upon final determination by the Superintendent of the amount of the audit exception, collect the audit exception and redistribute the amount collected to the same class of program, or withhold the amount of the audit exception from the next payment to the agency in which the audit exception was discovered. Notwithstanding Section 13340 of the Government Code, or any other provision of law to the contrary, the funds collected or withheld shall be reappropriated for expenditure on or before June 30, 1984, and transferred to a special account for child development audit recovery funds to be established and maintained by the Department of Education.

(h) The Department of Education shall establish a schedule for audits which meets federal regulations and which covers all contract periods from the last previous audit.

(i) The Department of Education may exempt from the provisions of this section those agencies for which, in the department's estimation, the cost of an audit would be inordinate in relation to the level of funding received by the private agency for the educational services provided.

Consistent with most other programs, the Child Care Program should be reviewed and budgeted for on an annual basis. I have provided \$248,546,000 for program expenditures during 1983-84, and I do not find any basis for the carry-over authority as proposed.

Item 6100-198-036—For local assistance, Department of Education I am eliminating this item of \$1,100,000 for construction of additional child care relocatable facilities

The budget still provides \$1,040,000 for relocatables and I believe that amount will meet the immediate needs of this program.

Item 6100-221-001—For local assistance, Department of Education, California State Library I reduce this item from \$12,500,000 to \$6,000,000.

This item provides initial funding for a new Public Library Foundation Program Although I am sympathetic to the needs of public libraries, I believe that part of the program must be deferred until sufficient funds are available for current programs

Item 6100-226-001—For cost-of-living increases, Department of Education I reduce this item from \$544,157,275 to \$524,730,275 by reducing:

- (a) 1 K-12 school districts from \$447,014,000 to \$430,014,000,
- (a) 5 Regional Occupational Centers and Programs from \$5,024,000 to \$4,645,000,
- (c) 1 Adult Education from \$1,392,000 to \$1,357,000,
- (h) Urban Impact Aid (\$2,013,000)

I am reducing this item because the appropriation provided by this item, in conjunction with the appropriation provided in Senate Bill 813, exceeds the amount required to fully fund the cost-of-living adjustment for K-12 school districts. The balance of the funds provided by this Act and by Senate Bill 813 will assure an additional \$800 million for K-12 education programs in 1983-84. In addition, I am reducing the cost-of-living adjustments for Regional Occupational Centers and Programs to reflect elimination of funding for 9th and 10th grade students and for Adult Education to reflect elimination of home economics and health and safety courses I am also eliminating the cost-of-living adjustments for Urban Impact Aid as these funds are used to supplement school districts' regular programs, which will receive a 6 percent cost-of-living adjustment

Item 6300-101-001—For transfer to the State Teachers' Retirement Fund I reduce this item from \$211,313,000 to \$1

This appropriation is an annual General Fund subsidy towards the unfunded actuarial liability of the Teachers' Retirement System. Withholding this subsidy for one year will have no effect on retirement allowance payments to retirees However, this amount can have an immediate and significant impact in other areas of education It is because of those more pressing needs that I propose to temporarily suspend this transfer I encourage the Legislature to act to repay this transfer in the future, or to enact legislation increasing the income producing potential of the Teachers' Retirement System such as through the sale or use of surplus school lands

Item 6320-001-001—For support of the California Advisory Council on Vocational Education and Technical Training. I reduce this item from \$25,000 to \$24,000 by reducing

- (b) Operating Expenses from \$89,000 to \$88,000

This reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 6360-001-407—For support of the Commission on Teacher Credentialing I reduce this item from \$5,600,000 to \$5,431,000 by reducing

- (a) Personal Services from \$2,866,000 to \$2,822,000,
- (b) Operating Expenses and Equipment from \$2,734,000 to \$2,609,000

I am reducing this item from \$5,600,000 to \$5,431,000 by reducing paragraph (a) Personal Services from \$2,866,000 to \$2,822,000 and paragraph (b) Operating Expenses from \$2,734,000 to \$2,609,000 These reductions are for merit salary adjustments that can be funded through existing resources and operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6420-001-001—For support of the California Postsecondary Education Commission I reduce this item from \$2,550,000 to \$2,402,000 by reducing:

- (a) 100000-Personal Services from \$1,986,000 to \$1,883,000,
- (b) 300000-Operating Expenses and Equipment from \$592,000 to \$547,000

Included in these reductions are \$30,000 for merit salary adjustments that can be funded through existing resources, and \$23,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing

this item by \$95,000 for administrative efficiencies.

Item 6440-001-001—For support of the University of California. I reduce this item from \$1,123,323,000 to \$1,056,639,000 by reducing:

(a) Support from \$1,113,253,000 to \$1,046,934,000, and

(f) Charles Drew Medical Program from \$5,205,000 to \$4,840,000

I am reducing this item by \$66,684,000

Included in these reductions are \$5,116,000 for merit salary adjustments that can be funded through existing resources, and \$20,721,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. The budget retains the merit salary adjustment fund for academic staff.

Included also in these reductions is \$22,400,000 which would have been transferred to the University of California Retirement System

Also included in these reductions is \$14,652,000 in anticipation that the University of California Regents will not rescind the \$150 year increase previously approved.

I am eliminating the following fee-related language which conflicts with the constitutional authority of the Regents:

"The Regents of the University of California shall not increase student fees for the 1983-84 academic year above the level approved by the Legislature in enacting the Budget Act of 1983."

In addition, I am reducing State funding of student services by an additional \$630,000. It is suggested that the Regents of the University of California consider adopting a five percent graduate student fee differential to replace these funds.

Also included in these reductions is \$1,000,000 in overall support for the University. In vetoing this amount, it is my suggestion that the Regents consider increasing the current application fees from \$30 to \$35, to cover the cost of the application process.

Also included in these reductions is \$1,800,000 which otherwise would have been applied towards the costs of faculty promotions and related benefit costs. I have eliminated this funding because funds for academic merit salary adjustments are retained in the budget.

In addition, I am eliminating \$365,000 for the establishment of the Charles R. Drew Institute for the Study and Formulation of Social Policy. I have eliminated this funding because sufficient funds for organized research activities are already contained in the base budget for the University.

I am also eliminating the following related language.

"From the amount in category (f) \$365,000 shall be used to establish an institute for the study and formulation of social policy at Charles R. Drew Postgraduate Medical School.

The institute shall be assisted by a 15-member Community Advisory Board in developing policy. The members of the board shall consist of the following:

Four representatives from the following civil rights organizations. the President of the Los Angeles Chapter of the NAACP, the Executive Director of the Southern Christian Leadership Conference, the Executive Director of the Urban League; and one representative from a community service organization in the immediate area.

The Executive Director of the Black Women's Forum

The President of the Council of Black Administrators.

The President of the Black Agenda.

The Assemblymember representing the district.

The Senator representing the district.

The President of the Black Social Workers.

The Speaker of the Assembly or his representative.

The President pro Tempore of the Senate or his representative. Three appointments by the Dean of Charles R. Drew Medical School of persons having backgrounds in the following areas: Ph D. in Anthropology; Ph D. in Black Studies; and expert researcher in ethnic affairs

The board shall adopt bylaws and rules to establish policy for the institute, including, but not limited to, the hiring of a director development of the research program, accounting procedures, admissions, acceptance policy for interns, scholars and scholarships and fellowships

The institute shall submit to the Legislature, by March 31, 1984, a report, which

shall include, but need not be limited to, information on all research studies and projects."

Item 6440-001-046—For support of the University of California I reduce this item from \$903,000 to \$879,000.

This reduction of \$24,000 includes \$13,000 for merit salary adjustments that can be funded through existing resources, and \$11,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6440-001-140—For support of the University of California. I reduce this item from \$222,000 to \$211,000

This \$11,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 6440-001-146—For support of the University of California. I reduce this item from \$18,983,000 to \$12,729,000 by reducing

(a) Replacement of Instruction Equipment from \$13,649,000 to \$9,145,000, and

(b) Deferred maintenance and Special Repair Projects from \$5,334,000 to \$3,584,000.

I am reducing this item by \$6,254,000. Included in these reductions are \$254,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate and \$6,000,000 to better align expenditures with available resources in the Capital Outlay Fund for Public Higher Education. The remaining \$12,729,000 will allow progress on the University's highest priority needs

Item 6440-001-189—For support of the University of California. I reduce this item from \$659,000 to \$630,000 by reducing.

(a) Energy Institute from \$147,000 to \$138,000,

(b) Utilities Conservation from \$254,000 to \$244,000, and

(c) Institute of Appropriate Technology from \$258,000 to \$248,000

This \$29,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6440-301-146—For capital outlay, University of California I reduce this item from \$8,149,000 to \$7,147,000 by reducing:

(9) Berkeley-Life Science Building addition from \$893,000 to \$200,000, and

(10) Santa Barbara-Engineering Unit 2 from \$559,000 to \$250,000.

I am reducing this item by \$1,002,000. The remaining funds will be sufficient to allow funding of budget schematics for these two projects

Item 6440-301-189—For capital outlay, University of California I eliminate this item

I am eliminating this item for a savings of \$660,000. Deferral of this capital outlay project for the 1983-84 fiscal year will not have a detrimental effect on ongoing or future state educational programs nor will it result in a compromise of public safety, or the loss or deterioration of the State's investment.

Item 6600-001-001—For support of the Hastings College of the Law. I reduce this item from \$7,517,000 to \$6,484,000 by reducing:

(a) 100000—Personal Services from \$7,245,000 to \$6,400,000,

(b) 300000—Operating Expenses and Equipment from \$3,716,000 to \$3,528,000

I am reducing this item for a savings of \$1,033,000

Included in these reductions are \$103,000 for merit salary adjustments that can be funded through existing resources, and \$152,000 for price increases for operating expenses and a \$100,000 unallocated reduction. I believe the Hastings' Administration is in the best position to determine where specific non-instruction related reductions should be made.

Also included in these reductions is a deferral for the 1983-84 fiscal year of \$678,000 which would have been transferred to the University of California Retirement System

Item 6610-001-001—For support of the California State University. I reduce this item from \$988,318,713 to \$906,056,300 by reducing:

(a) 01-Instruction from \$667,202,000 to \$664,446,411,

(c) 04-Academic Support from \$126,118,129 to \$121,453,929,

(e) 06-Institutional Support from \$274,037,700 to \$263,947,440;

by changing

(d) 05-Student Services from \$86,696,000 to \$96,708,220, and

(h) Reimbursements from —\$215,631,116 to —\$290,197,700, and by eliminating

(i) Special Adjustment—Cost of Living (\$198,000)

This reduction includes \$3,145,000 for merit salary adjustments that can be funded through existing resources, and \$12,678,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate and \$198,000 for cost-of-living increases for the Educational Opportunity program. Faculty merit salary adjustment remain in the budget.

I am also reducing this item by increasing reimbursements \$69,955,700 which is the amount that can be raised by a \$230 student fee increase. I am asking the Board of Trustees of the California State University to increase student fees accordingly so that there will be no reduction in quality of programs or access to the University. While CSU students will incur a higher State University fee, their fees will still only be about half of comparable institutions and the University of California. This level of fee could generate sufficient revenue to leave \$11,585,000 in this item for financial aid related to the \$230 fee increase. These funds will ensure continued access for those students who cannot afford the increase in fees.

I am eliminating the following fee related language which is contrary to statutory law.

“Notwithstanding any other provisions of law, the Trustees of the California State University are prohibited from increasing student fees for the 1983–84 academic year above the level approved by the Legislature in this act.”

I am also eliminating: (1) two legal services positions which are in excess of the justified service level, (2) \$304,829 and six positions for a computer graphics lab at San Luis Obispo; funds can be redirected for the program; and (3) \$1,642,000 and 52.9 positions which are not needed due to staffing efficiencies achieved as a result of recent automation efforts of various library activities.

I am also increasing reimbursements so that the General Fund will continue to recover rents for five State-owned residences occupied by the Chancellor and four campus presidents. The \$10,884 in current rental reimbursements represents only nominal rents for these residences.

In addition, I am making the following reductions: (1) The elimination of \$1,076,000 originally included in Governor's Budget for the funding of faculty promotions. Faculty merit salary adjustment monies may be used for this purpose. (2) \$1,000,000 to reflect a more reasonable assessment of indirect costs incurred by special funded operations and other non-state supported activities and to recover a higher portion of the costs for the use of CSU facilities by the public. (3) A \$1,400,000 increase in reimbursements for a \$5.00 increase in the application fee. With this increase, 1983–84 application fees will be \$35 and will approximate the cost of processing applications. (4) \$237,000 and 25 positions to reflect an approximate 25 percent General Fund staffing reduction to the CSU public affairs program primarily responsible for community relations activities. The CSU Foundations, which perform functions that contribute to the educational mission of the CSU and are nonprofit self-supporting organizations, may wish to continue these services. (5) A \$2,200,000 increase in reimbursements for the amount that can be raised by the CSU Trustees creating a 5 percent fee differential between graduate and undergraduate students. An increase in charges to CSU graduate students would reflect the higher cost per student of graduate programs.

Item 6610-001-146—For support of the California State University. I reduce this item from \$10,093,000 to \$6,820,000 by reducing:

(a) Instruction from \$4,368,000 to \$2,868,000, and

(b) Institutional Support from \$5,725,000 to \$3,952,000.

This \$273,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate and further reducing \$1,500,000 from instructional equipment and \$1,500,000 deferred maintenance/special repair projects. Given the limited amount of capital outlay funds which are available, I am deferring these projects for one year. This deferral will not have a detrimental effect on ongoing or future State educational programs, nor will it result in a compromise of public safety.

Item 6610-301-146—For capital outlay, Board of Trustees of the California State University I reduce this item from \$15,585,000 to \$11,274,000 by eliminating:

- (2.1) Moss Landing-Soil erosion, restoration and landscaping (\$100,000),
- (2.2) Moss Landing-Equipment Marine Laboratories (\$164,000),
- (3.2) San Francisco-Science Building Conversion (\$1,230,000),
- (4) Hayward-Modifications to Ventilation System (\$250,000), and
- (7) San Diego-Old Library Rehabilitation (\$2,567,000)

I am reducing this item by \$4,311,000. Given the limited amount of capital outlay funds which are available, I am deferring these projects for one year. This deferral will not have a detrimental effect on ongoing or future state educational programs nor will it result in a compromise of public safety, or the loss or deterioration of the State's investment.

Item 6610-301-189—For capital outlay, Board of Trustees of the California State University I eliminate this item.

The highest priority projects proposed in this item are already funded from Petroleum Violation Escrow Account Funds elsewhere in this budget. Given the limited amount of capital outlay funds which are available, I am deferring lower priority projects. This deferral will not have a detrimental effect on ongoing or future state education programs.

Item 6860-001-001—For support of the California Maritime Academy I reduce this item from \$3,906,000 to \$3,677,000 by reducing:

- (a) Instruction from \$1,914,000 to \$1,765,000, and
- (b) Academic Support from \$1,750,000 to \$1,670,000.

This reduction includes \$55,000 for merit salary adjustments that can be funded through existing resources, and \$174,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6860-001-146—For support of the California Maritime Academy I reduce this item from \$182,000 to \$177,000.

This \$5,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6860-301-146—For capital outlay, California Maritime Academy I reduce this item from \$197,000 to \$27,000 by eliminating:

- (1) Preliminary plans, working drawings, construction and equipment of faculty office addition (\$170,000).

I am reducing this item by \$170,000. Given the limited amount of capital outlay funds which are available, I am deferring this project for one year. This deferral will not have a detrimental effect on ongoing or future state educational programs nor will it result in a compromise of public safety or the loss or deterioration of the State's investment.

Item 6870-001-001—For support of Board of Governors of the California Community Colleges. I reduce this item from \$3,841,000 to \$3,572,000 by reducing:

- (a) 10- Apportionments from \$1,053,000 to \$1,050,000,
- (b) 10-Special Services and Operations from \$4,692,000 to \$4,426,000,
- (c) 30 01-Administration from \$2,581,000 to \$2,460,000, and
- (d) 30 02-Administration-Distributed from -\$2,581,000 to -\$2,460,000.

Included in these reductions are \$41,000 for merit salary adjustments that can be funded through existing resources, and \$23,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate and \$65,000 for attorney and clerical positions that are not workload justified. I am also reducing this item by \$140,000 for administrative efficiencies.

Item 6870-001-165—For support of the Board of Governors of the California Community Colleges I reduce this item from \$530,000 to \$516,000.

This \$14,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 6870-101-001—For local assistance, Board of Governors, California Community Colleges. I reduce this item from \$1,198,624,000 to \$966,925,000 by reducing:

- (a) 10-Apportionments from \$1,118,369,000 to \$887,963,000, and by eliminating
- (b) Special Adjustment—Cost-of-Living Increases \$1,293,000.

This reduction eliminates augmentations to the Governor's Budget for a six percent cost-of-living adjustment (\$86,700,000), growth in average daily attendance (\$27,250,000), and additional aid for equalization (\$10,690,000). Present statutes governing community college finance expire on June 30, 1983, and augmentations to the current level of funding should be addressed as part of the new legislation.

This reduction also eliminated an augmentation of \$105,766,000 representing the value of establishing a minimal fee in the community colleges. California is the only state which has not instituted a general mandatory fee at its community colleges. The \$50 per semester fee for students carrying six or more units (\$30 per semester for those who carry less than six units) proposed in the budget I submitted to the Legislature would be far below the average \$500 annual fee of other states.

I am recommending to the Legislature that a bill authorizing community colleges to charge fees be enacted. I also recognize the need to provide additional student aid for needy students which will result from instituting a fee at community colleges. Additional aid in conjunction with establishing general fees should be included in this legislation.

Additional reductions eliminate cost-of-living adjustments for Extended Opportunity Programs and Services (\$741,000) and Handicapped Student Services (\$552,000). Given the low rate of inflation I believe these programs can continue without a cost-of-living adjustment.

Item 6870-101-146—For local assistance, Board of Governors of the California Community Colleges. I reduce this item from \$6,000,000 to \$4,000,000.

This reduction is being made to better align expenditures with available resources in the Capital Outlay Fund for Public Higher Education. The remaining appropriation of \$4,000,000 will still enable the Chancellor to deal with immediate deferred maintenance problems.

Item 6870-301-146—For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from \$10,446,000 to \$7,449,000 by reducing.

(13) Cerro Coso-Equipment Occupational Laboratory Building from \$367,000 to \$347,000, and by eliminating

(15) Mendocino-Library and Alternate Learning Center (\$2,741,000), and

(16) Mendocino-Initial Complement of Library Books (\$236,000).

I am reducing this item by \$2,997,000. Given the limited amount of capital outlay funds which are available, I am deferring these projects for one year. This deferral will not have a detrimental effect on ongoing or future state educational programs nor will it result in a compromise of public safety, or the loss or deterioration of the State's investment.

Item 7980-001-001—For support of the Student Aid Commission. I reduce this item from \$4,767,000 to \$4,449,000 by reducing.

(a) 100000-Personal Services from \$3,875,000 to \$3,726,000,

(b) 300000-Operating Expenses and Equipment from \$5,357,000 to \$5,143,000,

(c) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951) from -\$4,465,000 to -\$4,420,000.

This reduction includes \$37,000 for merit salary adjustments that can be funded through existing resources, and \$102,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate and \$179,000 for administrative efficiencies.

Item 7980-001-951—For support of the Student Aid Commission. I reduce this item from \$4,465,000 to \$4,420,000 by reducing:

(a) State Guaranteed Student Loan Program for purposes of Chapter 1201, Statutes of 1977 from \$4,401,000 to \$4,356,000.

This reduction includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$33,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 7980-101-001—For local Assistance, Student Aid Commission. I reduce this item from \$80,349,500 to \$76,420,000 by reducing

(a) Scholarships (Cal Grant(a)) from \$58,329,500 to \$55,480,000,

(b) College Opportunity Grants (Cal Grant(b)) from \$23,712,000 to \$22,752,000,



(c) Occupational Education and Training Grants (Cal Grant(c)) from \$2,655,000 to \$2,535,000.

and by eliminating Provision 6 of this item.

Included in these reductions are \$2,400,000 to replace a loss in federal funds and \$1,529,500 to provide 450 new Cal Grant A awards to students attending independent colleges.

It has been a well established long standing policy not to replace federal fund reductions with General Fund augmentations. The increase of \$2.4 million in this item violates that policy and is being eliminated. This reduction, if applied evenly to all Cal Grant recipients, would reduce the average grant per student by only \$40.00 per year.

The augmentation for new Cal Grant A awards is an inappropriate subject for the budget and should be considered as a separate bill in the Legislature.

Item 7980-111-001—For local assistance, Student Aid Commission, Cost-of-Living Increases. I eliminate this item.

Given the current low rate of inflation, I believe the basic programs can continue without this cost-of-living adjustment.

Item 8100-001-001—For support of the Office of Criminal Justice Planning. I reduce this item from \$2,383,250 to \$2,015,000 by reducing:

(a) Personal Services from \$1,907,000 to \$1,805,000,

(b) Operating Expenses from \$1,298,250 to \$1,032,000.

This \$69,250 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing \$299,000 for administration support for the Career Criminal Prosecution, Career Criminal Apprehension, Crime Resistance Task Force and general administration.

This reduction will not affect the ability of local government to carry out the program.

Item 8100-001-214—For support of the Office of Criminal Justice Planning. I reduce this item from \$415,000 to \$406,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8100-101-178—For local assistance, Office of Criminal Justice Planning. I eliminate this item.

I am eliminating this item because the need for an augmentation for the Community Crime Resistance Program has not been adequately evaluated.

Item 8100-101-214—For support of the Office of Criminal Justice Planning. I am eliminating provision #4 in control language for this item.

I believe that it is inappropriate to earmark potential surplus funds for specific programs at this time.

Item 8120-001-268—For support of the Commission on Peace Officer Standards and Training. I reduce this item from \$4,002,000 to \$3,907,000 by reducing:

(a) Personal Services from \$2,939,000 to \$2,895,000, and

(b) Operating Expenses and Equipment from \$1,063,000 to \$1,012,000.

This reduction includes \$44,000 for merit salary adjustments that can be funded through existing resources, and \$51,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8140-001-001—For support of the Office of the State Public Defender. I reduce this item from \$7,842,000 to \$5,407,000.

This reduction includes \$51,000 for merit salary adjustments that can be funded through existing resources, and \$32,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing the office's staff by 50 percent to reflect my intent that the office handle only the most complex and sensitive cases. 1983-84 funding for the office has been reduced to a somewhat lesser degree (by \$2,352,000) to allow the State Public Defender to make an orderly transition to this reduced caseload. The remaining cases will be handled by court appointed counsel through the judiciary. Moreover, I have set aside up to \$1.5 million in recognition of potential increased costs to the judiciary and will seek special legislation to appropriate these funds if necessary.

Item 8160-101-001—For local assistance, Assistance to Counties for Defense of Indigents. I eliminate this item.

The amount of this appropriation represents less than one percent of the total amount expended by public defenders' offices in providing counsel for persons who are indigents. These funds have such an insignificant impact on the cost of defending indigents that they are better and more effectively used for other programs

Item 8160-111-001—For local assistance, Assistance to Counties for Defense of Indigents I reduce this item from \$3,000,000 to \$1,000,000.

The program currently provides for 100% state funding without any state input. I believe counties should have a modest participation to insure interest in maintaining some control of costs I will support Legislation which provides for 20% participation in these costs by counties

Item 8200-001-001—For support of the Commission on Economic Development I reduce this item from \$387,000 to \$381,000 by reducing

(b) Operating Expenses and Equipment from \$140,000 to \$134,000.

This \$6,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 8220-001-942—For support of the Motion Picture Council I reduce this item from \$192,000 to \$187,000 by reducing.

(a) Personal Services from \$100,000 to \$99,000, and

(b) Operating Expenses and Equipment from \$92,000 to \$88,000.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$4,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 8260-001-001—For support of the California Arts Council I reduce this item from \$3,143,000 to \$1,811,000 by reducing

(a) Personal Services from \$1,374,851 to \$1,353,851,

(b) Operating Expenses and Equipment from \$762,149 to \$457,149, and by eliminating

(c) Unallocated (\$1,006,000.)

I am reducing the budget of the California Arts Council to eliminate the unallocated augmentation of \$1,006,000. The need for these funds has not been demonstrated and their use has not been specified. In addition, I am reducing \$271,000 from the Operating Expenses and Equipment category. This will bring the support activities of the commission into line with the actual program provided. This reduction includes \$21,000 for merit salary adjustments that can be funded through existing resources, and \$34,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 8260-101-002—For local Assistance, the California Arts Council. I reduce this item from \$6,919,000 to \$5,840,000

I am reducing the local assistance budget of the California Arts Council by \$1,079,000 to give the Commission the opportunity to reestablish its base priorities.

Item 8280-001-001—For support of The Native American Heritage Commission. I reduce this item from \$199,000 to \$145,00 by reducing

(a) Personal Services from \$132,000 to \$81,000,

(b) Operating Expenses and Equipment from \$67,000 to \$64,000

This reduction includes \$51,000 for two professional positions. I have taken this action to comply with language added by the Legislature in the 1982 Budget Act which requires that the Commission be phased out by 1984-85. Also included is a \$3,000 reduction for operating cost increases no longer anticipated because of a significant reduction in the inflation rate

Item 8290-001-001—For support of the California Public Broadcasting Commission. I reduce this item from \$1,940,000 to \$217,000 by reducing:

(a) Personal Services from \$304,722 to \$158,500,

(b) Operating Expenses and Equipment from \$239,278 to \$58,500, and by eliminating

(c) Grants to Public Broadcasting Stations (\$1,696,000), and

(d) Amount payable from California Environmental License Plate Fund (Item

8290-001-140) (—\$350,000)

I am eliminating the California Public Broadcasting Commission. The \$217,000 remaining in this item is for transition expenses related to phasing out the Commission. This is an appropriate time for those stations receiving Commission support to more aggressively seek additional funding from their principal traditional supporters, including viewers, foundations and other private sources.

Item 8290-001-140—For support of the California Public Broadcasting Commission. I eliminate this item.

The availability of funds from the ELPF are limited and first priority has been given to proposals which have a direct impact on the environment. There are not sufficient funds available, at this time, to enhance programming.

This item is eliminated in conformance with my action on Item 8290-001-001.

Item 8300-001-001—For support of the Agricultural Labor Relations Board. I reduce this item from \$9,639,000 to \$7,055,000 by reducing:

- (a) 10-Board Administration from \$3,760,000 to \$2,809,000,
- (b) 20-General Counsel Administration from \$5,679,000 to \$4,246,000,
- (c) 30 01-Administrative Services from \$787,500 to \$738,500,
- (d) 30 02-Distributed Administrative Services from —\$787,500 to —\$738,500 and by eliminating

- (e) 97 20-Unallotted (\$200,000).

I am reducing \$2,584,000 and category (a) by 17.5 positions, category (b) by 31.1 positions and category (c) by 1.8 positions. The reduction will require the Board to modify policies and procedures and to develop new efficiencies. Included in these reductions are \$151,000 for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8320-001-001—For support of the Public Employment Relations Board. I reduce this item from \$4,747,000 to \$4,613,000 by reducing:

- (a) 100000-Personal Services from \$3,721,000 to \$3,640,000, and
- (b) 300000-Operating Expenses and Equipment from \$1,026,000 to \$973,000.

This reduction includes \$11,000 for merit salary adjustments that can be funded through existing resources, and \$44,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing \$79,000 and 4.5 positions for administrative efficiencies.

Item 8350-001-001—For support of the Department of Industrial Relations. I reduce this item from \$77,400,354 to \$68,882,048 by reducing:

- (a) 10-Regulation of Workers' Compensation Self-Insurance Plans from \$1,181,000 to \$1,178,936,
- (b) 20-Conciliation of Employer-Employee Disputes from \$1,443,000 to \$1,410,451,
- (c) 30-Administering Disputes Under Workers' Compensation Laws from \$36,451,634 to \$34,358,247,
- (d) 40-Prevention of Industrial Injuries and Deaths to California Workers from \$15,836,720 to \$12,949,526,
- (e) 50-Enforcement of Laws Relating to Wages, Hours, and Conditions of Employment from \$18,704,000 to \$15,997,869,
- (f) 60-Apprenticeship and other On-the-Job-Training from \$5,250,000 to \$4,488,564,
- (g) 70-Labor Force Research and Data Dissemination from \$1,674,000 to \$1,638,455,
- (h) 94.01-Administration from \$7,947,000 to \$7,890,172, and
- (i) 94 02-Distributed Administration from —\$7,927,000 to —\$7,870,172.

and by eliminating the following Provisions:

1. If the funds for the support of the Division of Labor Standards Enforcement are reduced, the division shall not reduce field enforcement activities in any greater proportion than the reduction in the balance of its activities.

2. Except as provided in Section 123.7 of the Labor Code, the Division of Industrial Accidents shall not assign any nonjudicial officer to perform any judicial functions, or to exercise any judicial powers now vested in the Worker Compensation Appeals Board, specifically, the Division of Industrial Accidents shall not use information and assistance officers to settle conference calendar workers compensation disputes. However, nothing herein shall limit the information and assistance officers from performing the duties required under Chapter 2.5 (commencing with Section 5450)

or Part 4 of Division of the Labor Code

I am reducing the Department of Industrial Relations budget by \$6,949,093 to eliminate augmentations made to the Governor's Budget as amended by Department of Finance Letter. This includes \$1,280,634 in the Division of Industrial Accidents, \$2,593,427 in the Division of Occupational Safety and Health, \$2,367,032 in the Division of Labor Standards Enforcement, and \$708,000 in the Division of Apprenticeship Standards. These reductions will not reduce field enforcement in the area of worker safety or the number of staff responding to worker complaints related to wages, hours, or working conditions. I have retained \$1,002,968 and 21.5 positions of the Legislative augmentation for the Concentrated Enforcement Program in order to provide a capability for continued surveillance of employment practices in special problem areas. I am also reducing \$860,192 for merit salary adjustments that can be funded through existing resources, and \$709,021 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

I am eliminating Provision No. 1, which does not define field enforcement activities, in order to make the above reductions in the Division of Labor Standards Enforcement without ambiguity. I am also eliminating Provision No. 2 so that the Division of Industrial Accidents may continue a potentially cost-effective pilot project in one field office involving the use of information and assistance officers to settle conference calendar workers' compensation cases.

Item 8350-001-216—For support of the Department of Industrial Relations. I reduce this item from \$512,000 to \$490,000.

This reduction includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$10,000 for price increases for operating expenses.

Item 8350-001-452—For support of the Department of Industrial Relations. I reduce this item from \$2,131,000 to \$2,087,000.

This reduction includes \$24,000 for merit salary adjustments that can be funded through existing resources, and \$20,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8350-001-453—For support of the Department of Industrial Relations. I reduce this item from \$3,098,000 to \$3,031,000.

This reduction includes \$37,000 for merit salary adjustments that can be funded through existing resources, and \$30,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8350-001-890—For support of the Department of Industrial Relations. I reduce this item from \$16,331,720 to \$14,130,707 by reducing:

(d) 40-Prevention of Industrial Injuries and Deaths to California Workers from \$14,860,720 to \$12,679,707, and

(e) 50-Enforcement of Laws Relating to Wages, Hours, and Conditions of Employment from \$201,000 to \$181,000.

I am reducing this item to eliminate augmentations made to the Governor's Budget as amended by Department of Finance Letter including \$2,181,013 in the Division of Occupational Safety and Health and \$20,000 in the Division of Labor Standards Enforcement. This action follows reductions made in General Fund Item 8350-001-001.

Item 8380-001-001—For support of the Department of Personnel Administration. I reduce this item from \$2,537,550 to \$2,467,550 by reducing:

(a) Personal Services from \$3,390,000 to \$3,349,000,

(b) Operating Expenses and Equipment from \$1,518,000 to \$1,326,000,

(d) Reimbursements from —\$2,368,300 to —\$2,205,300.

This reduction includes \$41,000 for merit salary adjustments that can be funded through existing resources, and \$29,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. Operating expenses and reimbursements have been reduced by \$163,000 to correspond with action taken in item 1880-001-001, State Personnel Board.

Item 8500-001-152—For support of the Board of Chiropractic Examiners. I reduce this item from \$619,000 to \$601,000 by reducing:

Program 10 from \$619,000 to \$601,000.

This reduction includes \$2,000 for merit salary adjustments that can be funded

through existing resources, and \$16,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8510-001-264—For support of the Board of Osteopathic Examiners. I reduce this item from \$255,000 to \$249,000 by reducing:

Program 10 from \$129,000 to \$123,000.

This \$6,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8530-001-290—For support of Board of Pilot Commissioners. I reduce this item from \$83,000 to \$82,000 by reducing:

Program 10 from \$83,000 to \$82,000.

This \$1,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8550-001-191—For support of California Horse Racing Board I am reducing this item from \$1,470,000 to \$1,421,000 by reducing:

- (a) Personal Services from \$2,118,000 to \$2,095,000, and
- (b) Operating Expenses and Equipment from \$525,000 to \$499,000.

This reduction includes \$23,000 for merit salary adjustments that can be funded through existing resources, and \$26,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8560-001-001—For support of the California Exposition and State Fair. I reduce this item from \$1,641,000 to \$1,351,000 by reducing.

- (a) Personal Services from \$4,472,000 to \$4,442,000, and
- (b) Operating Expenses and Equipment from \$5,534,000 to \$5,274,000.

This reduction includes \$30,000 in merit salary adjustments that can be funded through existing resources, and \$260,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8570-001-001—For support of the Department of Food and Agriculture I reduce this item from \$38,189,400 to \$35,852,400 by reducing:

- (a) 10-Pesticide Regulatory Program from \$6,675,000 to \$6,294,000,
- (b) 20-Plant Pest and Disease Prevention from \$17,126,000 to \$16,058,000,
- (c) 25-Animal Pest and Disease Prevention/Inspection Service from \$8,222,000 to \$7,750,000,
- (d) 30-Agricultural Marketing Services from \$3,624,000 to \$3,424,000,
- (e) 40.10-Food and Agricultural Standards and Inspection Services from \$1,174,000 to \$1,104,000,
- (f) 50-Measurement Standards from \$1,830,000 to \$1,696,000,
- (h) 70.01-Exec. Management and Administrative Services from \$6,039,000 to \$5,860,000, and
- (i) 70.02-Distributed Exec. Management and Administrative Services from —\$5,741,000 to —\$5,574,000.

I am reducing \$1,100,000 based on the Department's estimate of savings which will result from efficiencies and reprioritizing projects.

I am also reducing \$403,000 for merit salary adjustments that can be funded through existing resources, and \$834,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8570-001-111—For support of the Department of Food and Agriculture. I reduce this item from \$27,717,000 to \$27,198,000 by reducing:

- (a) 10-Pesticide Regulatory Program from \$4,237,000 to \$4,139,000,
- (b) 20-Plant Pest and Disease Prevention/Inspection Service from \$6,766,000 to \$6,599,000,
- (c) 25-Animal Pest and Disease Prevention Inspection Service from \$1,613,000 to \$1,579,000,
- (d) 30-Agricultural Marketing Services from \$6,036,000 to \$5,932,000,
- (e) 40.10-Food and Agricultural Standards and Inspection Services from \$6,269,000 to \$6,167,000,
- (f) 50-Measurement Standards from \$1,935,000 to \$1,923,000, and
- (g) 70.01-Exec. Management and Administrative Services from \$137,000 to \$135,000.

This reduction includes \$285,000 in merit salary adjustments that can be funded through existing resources, and \$234,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8570-001-140—For support of the Department of Food and Agriculture. I eliminate this item

I am eliminating \$113,000 from the Department of Food and Agriculture, payable from the California Environmental License Plate Fund, to support a study on the conversion of farmlands. This is a local government concern and should be funded, if desired, at the local government level.

Item 8570-001-191—For support of the Department of Food and Agriculture. I reduce this item from \$951,000 to \$907,000 by reducing:

(a) Program 60-Financial and Administrative Assistance to Local Fairs from \$1,191,000 to \$1,147,000.

This reduction includes \$2,000 for merit salary adjustments that can be funded through existing resources, and \$42,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8570-101-191—For local assistance, Department of Food and Agriculture. I reduce this item from \$775,000 to \$625,000 by reducing:

(a) 60.20 001-Unemployment Insurance and benefits for local fairs from \$550,000 to \$400,000.

I am reducing the \$150,000 augmentation for unemployment insurance to reflect savings the Department can realize by electing to redirect discretionary Fairs and Exposition funds to support any increased unemployment costs.

Item 8570-301-190—For capital outlay, Department of Food and Agriculture. I reduce this item from \$250,000 to \$75,000 by reducing:

(a) Davis Vet Diagnostic Lab—preliminary plans from \$250,000 to \$75,000.

I am reducing this appropriation by \$175,000. The remaining \$75,000 will be sufficient to provide partial preliminary plans for this project.

Item 8640-001-001—For support of the Political Reform Act of 1974. I reduce this item from \$1,689,000 to \$1,655,000 by reducing:

(a) 10-Secretary of State from \$569,000 to \$563,000,

(b) 20-Franchise Tax Board from \$880,000 to \$858,000, and

(c) 30-Attorney General from \$246,000 to \$240,000.

This reduction includes \$20,000 for merit salary adjustments that can be funded through existing resources, and \$14,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8660-001-042—For support of the Public Utilities Commission. I reduce this item from \$937,000 to \$922,000.

This reduction of \$15,000 includes \$9,000 for merit salary adjustments that can be funded through existing resources, and \$6,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8660-001-046—For support of the Public Utilities Commission. I reduce this item from \$1,228,000 to \$1,208,000.

This reduction of \$20,000 includes \$12,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8660-001-412—For support of the Public Utilities Commission. I reduce this item from \$13,284,000 to \$12,988,000 by reducing:

(a) Personal Services from \$33,005,000 to \$32,546,000,

(b) Operating Expenses and Equipment from \$8,173,000 to \$7,907,000,

(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-042) from -\$937,000 to -\$922,000,

(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046) from -\$1,228,000 to -\$1,208,000,

(h) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-461) from -\$3,346,000 to -\$3,291,000, and

(i) Amount payable from the Public Utilities Commission Utilities Reimbursement Account (Item 8660-001-462) from -\$20,796,000 to -\$20,457,000.

I am reducing this item by \$296,000 and the scheduled expenditures that flow through this item by \$429,000 for a total reduction of \$725,000. This reduction includes \$394,000 for merit salary adjustments that can be funded through existing resources, a reduction of \$256,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate and a reduction of \$75,000 added by the Legislature in anticipation of legislation (AB 765) to require worker's compensation coverage for certain truckers not currently covered by workers' compensation. If additional resources are needed to implement pending legislation, then an appropriation should be included in the legislation rather than the budget. Consistent with this reduction, I am also eliminating provision 1 of the control language which specifies that \$75,000 of the amount appropriated in this item may be spent only if AB 765 is enacted.

Item 8660-001-461—For support of the Public Utilities Commission I reduce this item from \$3,346,000 to \$3,291,000.

This reduction of \$55,000 includes \$33,000 for merit salary adjustments that can be funded through existing resources, and \$22,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8660-001-462—For support of the Public Utilities Commission. I reduce this item from \$20,796,000 to \$20,457,000.

This reduction of \$339,000 includes \$206,000 for merit salary adjustments that can be funded through existing resources, and \$133,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8700-001-001—For support of the Board of Control I reduce this item from \$623,000 to \$576,000 by reducing:

- (c) 40-Government claims from \$480,000 to \$448,000, and
- (d) 50-Local mandated costs from \$218,000 to \$203,000.

I am reducing this item by \$30,000 to reflect anticipated savings which the Board will realize as a result of increased efficiencies. I am also reducing \$9,000 for merit salary adjustments that can be funded through existing resources, and \$8,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8700-001-214—For support of the Board of Control I reduce this item from \$16,585,000 to \$16,564,000 by reducing:

- (a) 30 Victims of Crimes from \$16,585,000 to \$16,564,000.

This \$21,000 reduction is for operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8730-001-001—For support of the Commission on State Finance I reduce this item from \$523,000 to \$508,000.

This reduction includes \$5,000 for merit salary adjustments that can be funded through existing resources, and \$10,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8780-001-001—For support of the Commission of California State Government and Economy I reduce this item from \$338,160, to \$330,160.

This reduction includes \$1,000 for merit salary adjustments that can be funded through existing resources, and \$7,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8820-001-001—For support of the Commission on the Status of Women I reduce this item from \$437,000 to \$428,000 by reducing:

- (a) Personal Services from \$309,000 to \$305,000,
- (b) Operating Expenses and Equipment from \$128,000 to \$123,000.

This reduction includes \$4,000 for merit salary adjustments that can be funded through existing resources, and \$5,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate.

Item 8860-001-001—For support of the Department of Finance I reduce this item from \$20,711,000 to \$20,360,000 by reducing:

- (a) 10-Annual Financial Plan from \$6,494,000 to \$6,417,000,
- (b) 20-Prog. and Inform. Sys. Assess from \$4,299,000 to \$4,246,000,
- (c) 30 10 001-CFIS Date Base from \$1,237,000 to \$1,195,000,

- (d) 30.10.002-CALSTARS from \$5,718,000 to \$5,596,000
- (e) 30.10.003-Perform. Measures from \$450,000 to \$441,000,
- (f) 30.10.004-Budget systems from \$309,000 to \$300,000,
- (g) 30.20 through 30.50-Other Supportive Data from \$2,478,000 to \$2,439,000,
- (h) 40.01-Administration from \$2,797,000 to \$2,770,000, and
- (i) 40.02-Distributed Administration from —\$2,797,000 to —\$2,770,000

This reduction includes \$95,000 for merit salary adjustments that can be funded through existing resources, and \$256,000 for price increases for operating expenses.

Item 8910-001-001—For support of the Office of Administrative Law I reduce this item from \$1,888,000 to \$1,721,000 by reducing:

- (a) Personal Services from \$1,624,000 to \$1,474,000,
- (b) Operating Expenses and Equipment from \$264,000 to \$247,000.

This reduction includes \$25,000 for merit salary adjustments that can be funded through existing resources, and \$17,000 in operating cost increases no longer anticipated because of a significant reduction in the inflation rate. I am also reducing the Office's programs for review of existing regulations, requests for determining what constitutes a regulation, and for public information by \$125,000. I believe that this reduction will have a minor impact on the Office's services as the basic review process is nearing completion.

Item 8940-001-001—For support of the Military Department. I reduce this item from \$16,471,300 to \$15,291,800 by reducing.

- (a) Army National Guard from \$11,505,000 to \$10,889,000,
  - (b) Air National Guard from \$2,107,000 to \$2,010,000,
  - (c) Office of Commanding Guard from \$3,502,000 to \$3,334,000,
  - (d) Distributed Administration from —\$3,502,000 to —\$3,334,000,
  - (e) Military Support to Civil Authority from \$1,574,000 to \$1,510,000,
  - (f) Military Retirement from \$1,697,000 to \$1,631,000,
  - (h) California Innovative Military Projects and Career Training from \$683,000 to \$608,000, and
  - (i) Reimbursements from —\$1,373,200 to —\$1,356,200.
- and by eliminating

- (g) California Cadet Corps (\$278,500).

I am reducing \$410,000 for price increases for operating expenses and \$111,000 for merit salary adjustments. I am eliminating support for the California Cadet Corps for a savings of \$261,500 from the General Fund and \$17,000 in reimbursements because this program can be administered locally. I am further reducing support for the office's base programs by \$322,000 and the IMPACT program by \$75,000.

Item 9100-101-064—I reduce this item from \$927,170,000 to 514,170,000 by eliminating.

- (d) 40-Personal Property Tax Relief \$77,000,000
- (e) 50-Homeowners Property Tax Relief \$336,000,000

I am reducing this item by \$413,000,000. I disagree with the transferring of historic General Fund expenditures to Special Fund expenditures. This is a blatant attempt to artificially reduce General Fund Budget totals without making the hard choices required to bring the Budget in line with existing revenues. The items I eliminated will be General Fund expenditures because they have underlying continuous appropriations. The remaining funds are required to ensure that the programs will continue during the current year. I will ask the Legislature to transfer this appropriation back to the General Fund when they return in August.

In addition I am eliminating the following language

Of the funds appropriated in Schedule (c) for local assistance to the County of Los Angeles, \$100,000 shall be used by the County of Los Angeles for the restoration of the Ralph C. Dills Lake.

This language would unduly restrict the authority of local governments to spend general purpose revenues

Item 9680-101-001—For local assistance State Mandated Local Programs. I reduce this item from \$74,556,000 to \$73,306,000 by reducing:

- (d) Judicial Arbitration from \$2,500,000 to \$1,250,000

I am reducing the appropriation for this program by fifty percent because I believe



that at least one half of the costs of judicial arbitration should be financed by the resulting savings in court procedures. I will support legislation to effect this change.

Item 9800-001-001—For augmentation of Employee Compensation I reduce this item from \$274,499,000 to \$212,059,000.

I am eliminating this legislative augmentation of \$64,440,000. The remaining amount is the total available to complete the collective bargaining process. In addition \$1,500,000 is included which reflects a transfer from the Department of Mental Health and the Department of Developmental Services for overtime and shift differential, originally included in the 1983-84 budget for those departments.

I am eliminating Section 5 of this item since I believe this allocation is a matter to be decided in the collective bargaining process.

The amount remaining in this item is the second highest cost-of-living adjustment (after K-12) I have provided.

Item 9800-001-494—For augmentation for Employee Compensation. I reduce this item from \$83,949,000 to \$66,194,000.

I am eliminating this legislative augmentation of \$17,755,000. This conforms to the action taken in Item 9800-001-001.

Item 9800-001-988—For augmentation for Employee Compensation I reduce this item from \$78,480,000 to \$60,530,000.

I am eliminating this Legislative Augmentation of \$17,950,000. This conforms to the action taken in Item 9800-001-001.

Section 32.50—For support of the Agricultural Labor Relations Board. I eliminate this section.

Section 32.50 violates the separation of powers provisions of Article III, Section 3 of the California Constitution and impermissibly restricts the authority of the Governor to reduce or eliminate items of appropriation conferred by Article IV, Section 10(b).

Section 34.50—I eliminate this section.

The language of this section unconstitutionally intrudes on the powers of the executive branch in violation of Article III, Section 3 of the State Constitution and by linking the Budget Act with substantive legal provisions violates Article IV, Section 9 of the Constitution.

With the above deletions and reductions, I hereby approve Senate Bill No. 123.

GEORGE DEUKMEJIAN, Governor

SECTION 1.00. This act shall be known and may be cited as the "Budget Act of 1983."

SEC. 1.30. Section 13322 of the Government Code is amended to read:

13322. Until enactment of the budget act containing the appropriations funding the fiscal year budget, the department may revise, alter, or amend any fiscal year budget, if, in its opinion, revision, alteration or amendment is required in the interest of the State. The department shall notify the head of the State agency or court of any revision, alteration, or amendment of its fiscal year budget.

SEC. 1.50. (a) In accordance with Section 13338 of the Government Code, as added by Chapter 1284, Statutes of 1978 (AB 3322), it is the intent of the Legislature that this act reflect, and follow as closely as possible, the Governor's Budget including programs itemized therein. It is also the intent of the Legislature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the State Controller, and provide for the appropriation of Federal funds received by the state and deposited in the State Treasury.

(b) Essentially, the format and style are as follows:

(1) Appropriation item numbers have a code which is common to all the State's fiscal systems. The meaning of this common coded item number is as follows:

2720—Organization Code (this code represents the California Highway Patrol)

001—Reference Code (first appropriation for a particular fund for Support of each department)

044—Fund Code (Motor Vehicle Account, State Transportation Fund)

(2) Appropriation items are organized in organization code order as reflected in the Governor's Budget.

(3) All the appropriation items, reappropriation items and reversion items, if any, for each department or entity have been brought together and are adjacent to one another.

(4) Federal funds received by the state and deposited in the State Treasury are appropriated in separate items.

(c) The Department of Finance may authorize revisions to the codes used in this act in order to provide compatibility between the codes used in this act and those used in the Governor's Budget and in the records of the State Controller.

SEC. 2.00. The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1983-84 fiscal year beginning July 1, 1983, and ending June 30, 1984. Appropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1983-84, 1984-85 and 1985-86 fiscal years, except that appropriations for studies, planning, and working drawings, and minor capital outlay shall, except as provided herein, be available for expenditure only during the 1983-84 fiscal year. In addition, every appropriation made in this Act for construction, or working drawings and construction, that has not been allocated or transferred by the Director of Finance on or before June 30, 1984, shall, except as provided herein, revert as of that date to the fund from which the appropriation was made. All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes, to the extent only of the amount herein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

Item

Amount

## LEGISLATIVE/JUDICIAL/EXECUTIVE

## Legislative

Item	Amount
0110-001-001—For support of Senate .....	\$30,924,000
Schedule:	
(a) 101001-Salaries of Senators .....	1,228,000
(b) 317295-Mileage .....	2,000
(c) 317292-Expenses .....	712,000
(d) 500000-Contingent Expenses .....	28,696,000
(e) 317296-Automotive Expenses .....	286,000
Provisions:	
1. The funds appropriated in Schedule (d) are for contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund.	
2. The funds appropriated in Schedule (e) are for contingent expenses of the Senate relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund.	
0120-011-001—For support of Assembly .....	\$48,672,000
Schedule:	
(a) 101001-Salaries of Assemblymen ..	2,450,000
(b) 317295-Mileage .....	6,000
(c) 317292-Expenses .....	1,424,000
(d) 500000-Contingent Expenses .....	44,128,000
(e) 317296-Automotive Expenses .....	664,000
Provisions:	
1. The funds appropriated in Schedule (d) are for contingent expenses of the Assembly including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.	
2. The funds appropriated in Schedule (e) are for contingent expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.	

Item	Amount
gent Fund.	
0130-021-001—For support of joint expenses of the Legislature.....	22,540,000
Schedule:	
(a) 317292-Expenses of Joint Committees .....	16,558,000
(b) 312241-Legislative Printing .....	5,800,000
(c) Revision of Penal Code .....	182,000
Provisions:	
1. The funds appropriated in Schedule (a) are for the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, to be transferred by the State Controller to the Contingent Funds of the Assembly and Senate, available without regard to fiscal years, to be paid on certification of chairmen of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Committee.	
2. The funds appropriated in Schedule (b) are for legislative printing, binding, duplicating, mailing and other necessary expenses; and in addition thereto, any amounts received from the sale of legislative publications and notwithstanding any other provision of Section 2 of this act, this appropriation shall be available without regard to fiscal years; provided further, that funds appropriated by this item shall not be expended for the purpose of providing the compilation of any California code or portion thereof in computer usable form, except as expressly authorized in writing by the Joint Rules Committee.	
0160-001-001—For support of Legislative Counsel Bureau .....	16,786,000
Schedule:	
(a) Support.....	16,917,000
(b) Reimbursements .....	— 131,000
0170-001-001—For support of California Law Revision Commission.....	410,000
0180-001-001—For support of California Commission on Uniform State Laws .....	51,000
Judicial	
0250-001-001—For support of Judiciary .....	43,158,000
Schedule:	
(a) 10-Supreme Court .....	5,563,000
(b) 30-Judicial Council .....	8,049,000

Item	Amount
(c) 40-Commission on Judicial Performance .....	282,000
(d) 65-First District Court of Appeal .....	6,372,500
(e) 70-Second District Court of Appeal .....	10,314,500
(f) 75-Third District Court of Appeal .....	3,133,500
(g) 80-Fourth District Court of Appeal .....	5,198,000
(h) 85-Fifth District Court of Appeal .....	3,084,000
(i) 90-Sixth District Court of Appeal.. ..	1,767,100
(j) Amount payable from Item 025-001-001, Budget Act of 1981, as reappropriated by Item 0250-490, Budget Act of 1983 .....	- 605,600
Provisions:	
1. Notwithstanding Section 6.50 of this act, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by order of the Judicial Council; however, any allocation or reallocation by the Judicial Council shall be reported to the Director of Finance	
0250-001-044—For support of Judiciary, Program 30, Judicial Council, for implementing uniformity and consistency of procedure in traffic courts, payable from the Motor Vehicle Account, State Transportation Fund.....	52,000
0250-101-001—For reimbursement of any county, in whose superior court a judge of the municipal court of another county is assigned to sit and which is required by subdivision (b) of Section 68540 of the Government Code to reimburse the other county from which such assignment is made, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county, in whose superior court a judge of its municipal court is assigned to sit, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of	

Item	Amount
time its municipal court judge serves on assignment on an appellate court; and for payment to any county of the transportation expenses of a judge assigned to sit on a municipal court to replace an absent municipal court judge who has been assigned to sit on a superior court or an appellate court, Program 30, Judicial Council, for payment by the State Controller .....	243,000
0250-301-036—For minor capital outlay, Judiciary, payable from Special Account for Capital Outlay.....	190,000
0250-490—Reappropriation, Judiciary. On the effective date of this act, notwithstanding any other provision of law, the unencumbered balances of the appropriations provided in the following citations are reappropriated for the following purposes and shall be available for expenditure until June 30, 1984:	
001—General Fund	
(a) Item 0250-001-001, Budget Act of 1982, for transfer to Item 0250-001-001, to be used for purchase of equipment, general expenses, and facilities operations, not to exceed \$605,600.	
Provisions:	
1. The amount available for reappropriation shall be limited to the amount of one-time-only operating expenses for the Sixth District Court of Appeal not expended in the 1982-83 fiscal year.	
0390-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court judges .....	702,000
0390-101-001—For local assistance, for transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges .....	8,224,000
0420-101-001—For local assistance, for state's share of salaries of judges of superior courts as provided by Section 68206 of the Government Code .....	36,269,000
Provisions:	
1. Any funds which are unexpended due to vacancies in judgeships may be expended by the Judicial Council for extra compensation, expenses, and staff for judges assigned by the Chairperson of the Judicial Council.	
0420-495—Reversion, Salaries of Superior Court Judges. Notwithstanding any other provisions of law, as of June 30, 1983, the unencumbered balance of the appropriations provided in the following citation shall be reverted to the unappropriated surplus of the fund from which the appropriation was made.	

Item	Amount
001-General Fund	
Chapter 1233, Statutes of 1980, Superior Court Judge, Sacramento County.	
0440-101-001—For local assistance, for payment to counties for the annual cost of superior court judgeships created subsequent to January 1, 1973, for disbursement as a block grant by the State Controller .....	9,480,000
0460-001-001—For support, for state's share of cost for membership in National Center for State Courts, Judicial Council of California .....	14,000
Executive	
0500-001-001—For support of Governor and of Governor's Office .....	4,809,000
Schedule:	
(a) Support.....	4,252,000
(c) Governor's Residence (Support) .....	17,000
(d) Governor's Residence (Rental)....	60,000
(e) Special Contingent Expenses.....	15,000
(f) Governor's Budget Printing .....	465,000
Provisions:	
1. This appropriation is exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.	
2. In addition to the funds available in Schedule (f), any amounts received from the sale of publications are available for expenditure.	
0510-001-001—For support of Secretary for State and Consumer Services .....	546,000
Schedule:	
(a) Support.....	997,000
(b) Reimbursements .....	— 451,000
0520-001-001—For support of Business, Transportation, and Housing Agency, to be transferred to Item 0520-001-044.....	293,000
0520-001-044—For support of Business, Transportation, and Housing Agency, payable from the Motor Vehicle Account, State Transportation Fund .....	479,000
Schedule:	
(a) Support.....	1,216,000
(b) Reimbursements .....	— 444,000
(c) Amount payable from the General Fund (Item 0520-001-001) .....	— 293,000
0530-001-001—For support of Secretary of Health and Welfare.....	5,669,000
(a) Support.....	11,058,000
(b) Reimbursements .....	— 5,389,000

## Item

## Amount

## Provisions:

1. The establishment of the Multipurpose Senior Services Project (MSSP) as an ongoing program effective on or after July 1, 1983, shall be contingent upon approval of Title XIX waivers by the U.S. Department of Health and Human Services under Section 2176 of PL 97-35. In the event that the waivers are not approved, the Department of Finance shall notify the Legislature, and the funds appropriated for MSSP in this item shall revert to the General Fund.

2. The Secretary of Health and Welfare shall report to the Legislature on or before December 15, 1983, on an action plan to prevent inappropriate placement of the elderly and disabled in SNFs or other institutional settings. This report shall include provisions for assuring that persons eligible for nursing home placement (except in medical emergencies), or persons admitted to nursing homes under Medicare and Medi-Cal, shall be evaluated for IHSS and other community-based alternatives so as to prevent unnecessary institutionalization. Documentation of a Federal Title XIX waiver request shall be included for those persons who are eligible to receive IHSS as a result of the above-mentioned evaluation. The plan shall also include provisions for inclusion in the IHSS program of the following services on a one-time basis:

- (a) Moving expenses, including packing and unpacking.
- (b) Removal of access barriers and necessary modifications to living arrangements to meet client needs.
- (c) Client orientation on hiring and supervising IHSS workers.

The Secretary shall satisfy the requirements of this provision by establishing an interagency agreement between the Department of Health Services and the Department of Social Services.

0540-001-001—For support of Secretary for Resources Schedule: 1,045,000

(a) 10-Administration of Resources

Agency ..... 1,183,000

(b) Reimbursements ..... -138,000

0550-001-001—For support of the Youth and Adult Correctional Agency ..... 610,000

0555-001-001—For transfer to Item 3400-011-001 ..... 187,000



Item	Amount
0555-001-044—For transfer to Item 3400-011-001, payable from the Motor Vehicle Account, State Transportation Fund .....	103,000
0570-001-001—For support of the Governor's Council on Wellness and Physical Fitness .....	100,000
0580-001-001—For support of Office of California/Mexico Affairs.....	180,000
0585-001-001—For transfer by the State Controller from the General Fund to the California State World Trade Commission Fund for support of the California State World Trade Commission .....	417,000
Provisions:	
1. Of the funds appropriated in this item, \$278,000 shall be available for expenditure no sooner than 30 days, or no sooner than a lesser time which the chairperson or his or her designee may determine, after the commission submits to the Joint Legislative Budget Committee a program and budget report containing the following:	
(a) A detailed expenditure plan adopted by the commission, as required by the State Administrative Manual.	
(b) A detailed plan adopted by the commission for achieving the statutory mandate to seek private funds, including, but not limited to, pro forma financial statements so that the Legislature can determine the reliability and costs of this fundraising.	
(c) A copy of commission-approved bylaws required by subdivision (b) of Section 15364.3 of the Government Code.	
(d) A research design plan authorized by Section 15364.5 of the Government Code.	
0585-001-981—For support of the California State World Trade Commission, payable from the California State World Trade Commission Fund .....	417,000
Provisions:	
1. Of the funds appropriated in this item, \$278,000 is available for expenditure not sooner than 30 days following submission by the commission to the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairperson of the committee, or his or her designee, may determine, of a program and budget report that contains all of the following:	
(a) A detailed expenditure plan adopted by the commission as required by the State Administrative Manual.	

Item	Amount
(b) A detailed plan adopted by the commission for achieving the statutory mandate to seek private funds, including, but not limited to, pro forma financial statements so that the Legislature can determine the reliability and costs of such fundraising	
(c) A copy of commission-approved bylaws required by Chapter 1526, Statutes of 1982.	
(d) A research design plan required by Chapter 1526, Statutes of 1982.	
0650-001-001—For support of Office of Planning and Research.....	3,028,000
Schedule:	
(a) 10-State Planning and Policy Development .....	3,456,000
(b) 97-Unallocated Reductions .....	—286,000
(c) Reimbursements .....	—142,000
Provisions:	
1. OPR shall provide staff support to and fund the minor, direct expenses of members of the California Commission on Industrial Innovation.	
2. There shall be no Coastal Planning Unit in the Office of Planning and Research. No funds provided by this item shall be expended for statewide coordination and policy formulation on coastal and outer continental shelf matters, including offshore oil and gas exploration and development, that duplicate the duties and responsibilities of the California Coastal Commission as set forth in Division 20 (commencing with Section 30000) of the Public Resources Code.	
0650-001-140—For support of Office of Planning and Research, payable from the California Environmental License Plate Fund .....	13,000
0650-001-890—For support of Office of Planning and Research, payable from the Federal Trust Fund ..	1,564,000
0660-001-001—For support of Office of Economic Opportunity .....	75,000
0660-001-890—For support of Office of Economic Opportunity, payable from the Federal Trust Fund..	7,330,000
Schedule:	
(a) 100000-Personal Services .....	3,551,000
(b) 300000-Operating Expenses and Equipment .....	3,779,000

## Item

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## Provisions:

1. The office may set aside up to 5 percent of the total community services block grant for discretionary use for special projects, training, technical assistance, and special support programs.
2. All federal Low Income Home Energy Assistance block grant—Weatherization program funds not obligated by July 1, 1983, shall be reallocated to the Low Income Home Energy Assistance block grant—Energy Crisis Intervention program in the 1983–84 fiscal year, to provide energy crisis assistance to low-income households. Total federal Low Income Home Energy Assistance block grant funding shall total at least \$15,000,000 for the Energy Crisis Intervention program and \$10,000,000 for the Weatherization program in the 1983–84 fiscal year.

0660-011-890—For support of Office of Economic Opportunity, to be transferred to the Social Welfare Federal Fund, payable from the Federal Trust Fund ..... (8,022,000)

## Provisions:

1. Ten percent of the Low Income Home Energy Assistance Block Grant award shall be transferred to the Department of Social Services (Item 5180-151-866).

0660-101-890—For local assistance, Office of Economic Opportunity for assistance to individuals and payments to service providers, Program 20—Energy Programs, payable from the Federal Trust Fund.. 118,308,000

## Provisions:

1. The office (OEO) shall make the following program allocations for the total community services block grant for the fiscal year of 1983–84:
  - (a) OEO administration ..... 5 percent
  - (b) OEO discretionary funds ..... 5 percent
  - (c) Migrant and seasonal farm workers ..... 10 percent
  - (d) Native American Indian programs 3.9 percent
  - (e) Rural areas without community action agencies..... 2.1 percent
  - (f) Community action agencies ..... 74 percent
 All grantees under the community services block grant program shall be subject to standard state contracting procedures required under the program.

## Item

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2. The three migrant and seasonal farmworker service districts shall remain geographically and administratively intact unless changed as provided for below.

The office may establish a fourth migrant and seasonal farmworker service district 30 days after notifying the Legislature through a letter pursuant to Section 28.00.

3. The following agencies shall receive grants from the office's discretionary community services block grant funds in the 1983-84 fiscal year:

(a) La Cooperativa-(statewide) ....	95,000
(b) Food Law Center .....	90,000
(c) Center for Independent Living .....	65,000
(d) Project STEP (Stockton) .....	55,000
(e) San Bernardino Child Care.....	25,000
(f) Trinidad Rancheria.....	95,000
(g) Cal Neva.....	45,000
(h) Drew Medical Center.....	73,000
(i) I.A. Bookbinding Co. ....	48,800
(j) Project Turn.....	95,000
(k) NCNW Food Bank.....	75,280

The projects in subcategories (c) and (g) for the Center For Independent Living and Cal-Neva, respectively, may be funded from other resources within the Office's budget if the alternative resources are available and appropriate for this type of expenditure.

4. All federal Low-Income Home Energy Assistance Block Grant—Weatherization Program funds not obligated by July 1, 1983, shall be reallocated to the Low-Income Home Energy Assistance Block Grant—Energy Crisis Intervention Program in the 1983-84 fiscal year, to provide energy crisis assistance to low-income households. Total federal Low-Income Home Energy Assistance Block Grant funding shall total at least \$15,000,000 for the Energy Crisis Intervention Program and \$10,000,000 for the Weatherization Program in the 1983-84 fiscal year.

0690-001-001—For support of Office of Emergency Services, California Emergency Council and Advisory Committees .....

4,468,000

## Schedule:

(a) 100000-Personal Services .....	2,257,000
(b) 300000-Operating Expenses and Equipment .....	2,266,000
(c) Reimbursements .....	-55,000

Item	Amount
<b>Provisions:</b>	
1. Funds appropriated by this item may be reduced by the Director of Finance, after giving notice to the Chairman of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-890.	
<b>0690-001-029—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, payable from the Nuclear Planning Assessment Special Account .....</b>	<b>277,000</b>
(a) 100000-Personal Services .....	123,000
(b) 300000-Operating Expenses and Equipment .....	154,000
<b>0690-001-890—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, payable from the Federal Trust Fund .....</b>	<b>2,766,000</b>
(a) 100000-Personal Services .....	1,596,000
(b) 300000-Operating Expenses and Equipment .....	1,170,000
<b>Provisions:</b>	
1. No funds, either State or federal, shall be expended by any State agency for development or implementation of crisis relocation planning or any planning whose primary or exclusive purpose is to effect a mass evacuation of California civilian population in the event of a threat of nuclear war.	
If, as a result of this provision, the Federal Emergency Management Agency (FEMA) withholds other federal funds whose purpose is the support of California's emergency planning and preparedness for civilian and natural disasters, and if the court of original jurisdiction upholds the legality of such action by FEMA, then the implementation of this provision shall be suspended until judicial appeals have been exhausted or Congress prohibits such action by FEMA.	
<b>0690-101-029—For local assistance, Office of Emergency Services, Program 30, Fixed Nuclear Powerplant Planning, payable from the Nuclear Planning Assessment Special Account .....</b>	<b>600,000</b>
<b>0690-101-890—For local assistance, Office of Emergency Services Program 10, Emergency Mutual Aid Services, payable from the Federal Trust Fund .....</b>	<b>38,013,000</b>

Item	Amount
Provisions:	
1. The funds appropriated by this item are federal funds per Section 8.7 of this act.	
0750-001-001—For support of Lieutenant Governor ....	1,044,000
Schedule:	
(a) 100000-Personal Services .....	754,000
(b) 300000-Operating Expenses and Equipment .....	316,000
(c) Reimbursements .....	-26,000
0750-001-465—For support of the Lieutenant Governor, payable from the Energy Resources Programs Account.....	147,000
Schedule:	
(a) 100000-Personal Services .....	110,000
(b) 300000-Operating Expenses and Equipment .....	37,000
0820-001-001—For support of Department of Justice....	88,466,000
Schedule:	
(a) 10.01 Executive .....	2,542,000
(b) 10.02 Distributed Executive.....	-2,542,000
(c) 20-Special Programs .....	3,919,000
(d) 30-Civil Law .....	19,994,000
(e) 40-Criminal Law .....	16,336,000
(ee) 45-Public Rights.....	10,560,000
(f) 50-Law Enforcement .....	56,795,000
(g) 60.01 Administration .....	25,025,000
(h) 60.02 Distributed Administration .....	-25,025,000
(i) Reimbursements.....	-18,892,000
(j) Amount payable from Political Reform Act 1974 (Item 8640-001-001) .....	-246,000
1. The Attorney General shall submit to the Legislature and the Governor the quarterly and annual reports which he or she submits to the federal government on the activities of the Medi-Cal Fraud Unit.	
2. Notwithstanding any other provision of law, the Department of Justice may purchase vehicles of any type or class, which in the judgment of the Attorney General or his designee are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in this item.	

Item	Amount
3. Any funds received by the Department of Justice as reimbursements for legal services provided by the Civil Law Program in excess of \$11,268,000, and by the Public Rights Program in excess of \$1,961,000, plus amounts for employee compensation adjustments, shall revert to the unappropriated surplus of the General Fund unless the Director of Finance authorizes the expenditure of the reimbursements and notification of the additional expenditure authority is provided to the Legislature pursuant to Section 28.00.	
4. No funds appropriated by this act may be used by the Department of Justice for Special Projects (Program 20.20) unless the department makes the first priority of the Crime Prevention Center the providing of assistance to local police and sheriffs' departments and local community groups in connection with crime prevention programs.	
0820-001-012—For support of Department of Justice, Criminal Law, Program 45, payable from the Attorney General's Antitrust Account, General Fund ..	922,000
0820-001-017—For support of Department of Justice, Law Enforcement, Program 50, payable from fingerprint fees, General Fund, pursuant to subdivision (e) of Section 11105 of the Penal Code .....	5,627,000
0820-001-044—For support of Department of Justice, Law Enforcement, Program 50, payable from the Motor Vehicle Account, State Transportation Fund	10,031,000
0820-001-460—For support of Department of Justice, Law Enforcement, Program 50, payable from the Dealers' Record of Sale Special Account, General Fund .....	673,000
0820-001-465—For support of Department of Justice, Public Rights, Program 45, payable from the Energy Resources Program Account.....	1,600,000
Provisions:	
1. Expenditure of \$1,000,000 of this appropriation is contingent upon enactment of enabling legislation operative during the 1983-84 fiscal year.	
0820-001-890—For support of Department of Justice....	4,916,000
Schedule:	
(a) 40-Criminal Law .....	2,791,000
(b) 50-Law Enforcement .....	2,125,000
0840-001-001—For support of State Controller .....	38,409,000
Schedule:	
(a) 100000-Personal Services .....	33,887,000

Item	Amount
(b) 300000-Operating Expenses and Equipment .....	16,517,000
(c) Refunds of Taxes, Licenses and other Fees .....	30,000
(d) Reimbursements .....	-8,973,000
(e) Amount payable from the Aeronautics Account, State Transportation Fund (Item 0840-001-041) .....	-219,000
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061) ..	-1,883,000
(g) Amount payable from the State School Building Aid Fund (Item 0840-001-739) .....	-287,000
(h) Amount payable from the Federal Trust Fund (Item 0840-001-890) ..	-540,000
(i) Amount payable from non-governmental cost funds, Retail Sales Tax Fund (Item 0840-001-988) .....	-123,000
Provisions:	
1. The appropriation made by this item shall be in lieu of any allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1983-84 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1983-84 fiscal year.	
2. The funds appropriated in schedule (c) are for refunding of payments of taxes, licenses, fees and other receipts which have been erroneously collected and deposited in the General Fund for the refund of which no other provision is made by law, for refunding of amounts withheld and deposited in a fund in the State Treasury to any person who is determined to be liable to a taxpayer by reason of withholding and transmitting payments of taxes, interest, and penalties for the refund of which no other provision is made by law, and for payment of prior judgments, liens or encumbrances pursuant to Section 12516 of the Government Code; provided further, that expenditures made under schedule (c) of this item shall be charged to the year in which the warrant is issued by the State Controller.	



Item	Amount
3. The appropriation made by this item shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of that code.	
4. \$75,000 of the funds appropriated for the Senior Citizens' Property Tax Deferral Program shall be used to implement necessary processing changes. Any unused balance shall revert to the General Fund.	
0840-001-041—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Aeronautics Account, State Transportation Fund..	219,000
0840-001-061—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund .....	1,883,000
0840-001-739—For support of State Controller, to be transferred to Item 0840-001-001, payable from the State School Building Aid Fund .....	287,000
0840-001-890—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Federal Trust Fund .....	540,000
0840-001-988—For support of State Controller, to be transferred to Item 0840-001-001, payable from non-governmental Cost Funds (Retail Sales Tax Fund) .....	123,000
0860-001-001—For support of State Board of Equalization .....	70,711,000
Schedule:	
(a) 100000-Personal Services .....	80,747,000
(b) 300000-Operating Expenses and Equipment .....	21,942,000
(c) Reimbursements .....	—25,485,000
(d) Amount payable from the Energy Resources Programs Account General Fund (Item 0860-001-465) .....	—72,000
(e) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022) .....	—76,000
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061) .....	—3,656,000
(g) Amount payable from the Timber Tax Fund (Item 0860-001-965) .....	—1,679,000

Item	Amount
(h) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 0860-001-064) .....	-1,010,000
Provisions:	
1. The State Board of Equalization shall use the effectiveness criterion of net assessments per dollar of cost for the purpose of audit selection and resource allocation processes and in reporting accomplishments to the Legislature. The board may use other criteria in evaluating the effectiveness of other aspects of the audit program. The board shall select audits and allocate audit resources solely on the basis of incremental or marginal net assessments expected to be produced. Nothing in this proviso shall require the board to individually rank each audit eligible account against all other eligible accounts or preclude the board from selecting audits for training purposes, or from allocating audit staff to verify claims for refund or to meet necessary management information needs.	
2. The \$1,010,000 from the Motor Vehicle License Fee Account, Transportation Tax Fund, shall be used for funding 50 percent of the local property tax-monitoring and assessment practices survey activities, exclusive of overhead expenses.	
0860-001-022—For support of State Board of Equalization, to be transferred to Item 0860-001-001, payable from the State Emergency Telephone Number Special Account, General Fund .....	76,000
0860-001-061—For support of State Board of Equalization, to be transferred to Item 0860-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund .....	3,656,000
0860-001-064—For support of State Board of Equalization, to be transferred to Item 0860-001-001, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund .....	1,010,000
0860-001-465—For support of State Board of Equalization, to be transferred to Item 0860-001-001, payable from the Energy Resources Programs Account, General Fund .....	72,000
0860-001-965—For support of State Board of Equalization, to be transferred to Item 0860-001-001, payable from the Timber Tax Fund .....	1,679,000
0890-001-001—For support of Secretary of State .....	12,698,450
Schedule:	
(a) 100000-Personal Services .....	7,351,423

Item	Amount
(b) 300000-Operating Expenses and Equipment .....	3,522,277
(c) Ballot Pamphlet Printing .....	1,603,000
(d) Ballot Pamphlet Mailing .....	972,000
(e) Printing, Voter Registration by Mail .....	318,000
(f) Postage, Voter Registration by Mail .....	591,000
(g) Amount payable from the Political Reform Act of 1974 (Item 8640-001-001) .....	-563,000
(h) Reimbursements .....	-1,096,250
Provisions:	
1. Expenditures related to services provided in the Judgment Liens Program shall not exceed revenues collected to support the program.	
0950-001-001—For support of State Treasurer .....	3,274,000
Schedule:	
(a) 100000-Personal Services .....	3,747,000
(b) 300000-Operating Expenses and Equipment .....	1,360,500
(c) Reimbursements .....	-1,833,500
0970-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advisory Commission Fund .....	634,000
Schedule:	
(a) 100000-Personal Services .....	347,065
(b) 300000-Operating Expenses and Equipment .....	305,935
(c) Reimbursements .....	-19,000

### STATE AND CONSUMER SERVICES

1100-001-001—For support of Museum of Science and Industry .....	4,789,000
Schedule:	
(a) 100000-Personal Services .....	3,749,000
(b) 300000-Operating Expenses and Equipment .....	1,059,000
(c) Reimbursements .....	-19,000
Provisions:	
1. The Director of General Services may not approve a contract, permit, or lease agreement for any real property owned by the museum (excluding museum buildings), which reduces state revenues or increases state costs by \$25,000, unless, not sooner than 30 days prior to giving his approval, the director submits in writing to the	

Item	Amount
Chairperson of the Joint Legislative Budget Committee notification of his intent to approve this contract, permit, or lease, or not sooner than a lesser time which the chairperson of the committee may in each instance determine.	
1110-401—Notwithstanding any other provision of law, no more than five percent of the amount allocated for enforcement in Items 1120-001-704 to 1600-084-780, inclusive, may be used for any other purpose sooner than 30 days after written notice of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee.	
1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund .....	2,203,000
Schedule:	
(a) 3—Board of Accountancy .....	2,218,000
(b) Reimbursements .....	—15,000
Provisions:	
1. No more than \$7,000 appropriated in this item may be expended for the acquisition of word-processing equipment on either a lease or lease-with-option-to-purchase basis for a term not to exceed 24 months. No lease for word-processing equipment shall be entered into unless and until the Director of Finance determines that the equipment to be leased conforms with criteria established by an appropriate feasibility study for implementation of word-processing systems within the Department of Consumer Affairs.	
1130-004-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund .....	1,206,000
Schedule:	
(a) 6-Board of Architectural Examiners .....	1,213,000
(b) Reimbursements .....	—7,000
1140-006-001—For loan to the Athletic Commission Fund, payable from the General Fund .....	432,000
Provisions:	
1. The loan made by this item shall be repaid with interest upon such terms and conditions for repayment as may be prescribed by the Department of Finance.	
1140-006-126—For support of State Athletic Commission, Program 9, payable from the Athletic Commission Fund .....	432,000

Item	Amount
Provisions:	
1. Of the amount appropriated by this item for operating expenses and equipment, \$16,000 shall be expended by the Athletic Commission for formal training of athletic inspectors and publication of a current "Rule Book", and an additional \$2,000 shall be expended for an official's handbook and clinic.	
2. The Athletic Commission shall close its San Francisco office and shall operate the Sacramento office as Commission Headquarters. The Athletic Commission shall designate the Los Angeles office as a field office.	
1150-008-128—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund.....	4,410,000
Schedule:	
(a) 12-Bureau of Automotive Repair..	7,617,000
(b) Reimbursements .....	-3,207,000
1150-008-420—For support of Bureau of Automotive Repair, Program 12, Department of Consumer Affairs, payable from the Vehicle Inspection Fund ..	11,407,000
Provisions:	
1. The Director of Finance shall monitor the implementation of the biennial motor vehicle inspection program, particularly the workload resulting from the number of mechanics and garages choosing to participate in the vehicle inspection program and the Director of Finance shall justify positions added after December 1, 1983. The director shall, by December 15, 1983, report to the Joint Legislative Budget Committee and the fiscal subcommittees on program progress and the actions taken by the bureau.	
2. The expenditures for the biennial motor vehicle inspection program shall not exceed the amount appropriated by this item, adjusted by any allocations from other items and sections in this act.	
1160-010-713—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund .....	689,800
Schedule:	
(a) 15—State Board of Barber Examiners .....	692,800
(b) Reimbursements .....	-3,000
1170-012-773—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund	591,000

Item	Amount
Schedule:	
(a) 18-Board of Behavioral Science	
Examiners .....	606,000
(b) Reimbursements .....	-15,000
1180-014-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund .....	220,000
1200-016-157—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund	571,000
Schedule:	
(a) 24.10.010-Collection Agencies .....	592,000
(b) 24.10.020-Distributed Collection Agencies.....	-17,000
(c) Reimbursements .....	-4,000
Provisions:	
1. No expenditures may be made from this Item until a statute is operative which deletes or extends the July 1, 1983 date for repeal of the Collection Agency Act contained in Chapter 772, Statutes of 1978.	
1210-018-769—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund	2,479,000
Schedule:	
(a) 24.20-Private Investigators.....	3,041,000
(b) Reimbursements .....	-562,000
1230-020-735—For support of Contractors' State License Board, payable from the Contractors' License Fund .....	15,387,000
Schedule:	
(a) 30-Contractors' State License Board .....	15,430,000
(b) Reimbursements .....	-43,000
Provisions:	
1. No funds appropriated by this item may be expended for any services of the Attorney General which are in excess of the amounts budgeted therefor sooner than 30 days after written notification by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee.	
2. In expending funds appropriated pursuant to this item, the board shall give first priority to completing complaint mediation and investigation of all consumer complaints. The board shall give second priority to investigation of applications at the level of 3 percent of all applications received by the board.	

Item

Amount

No other complaints and investigations shall be processed if either of the following exists:

- (a) Consumer complaints are not mediated or investigated within a median time of 60 days of receipt by the board.
- (b) Application investigations are not completed within 60 days of receipt by the board.

3. The board shall report quarterly to the Joint Legislative Budget Committee all of the following:

- (a) The number of consumer complaints and application investigations.
- (b) The median time expended by the board in closing consumer complaints.
- (c) The number of application investigations that exceed 60 days.
- (d) If other complaints have been mediated or investigated during the quarter and consumer complaints or application investigations are not being completed within 60 days, the board shall report the type and number of those cases, as well as the reasons for their priority treatment.

4. For purposes of Provisions 2 and 3:

- (a) "Consumer complaint" means a complaint which is directly received from the public.
- (b) "Completed mediation" means a complaint that is closed, or referred to formal investigation, by a consumer services representative.
- (c) "Completed investigation" means a complaint that has been investigated by a deputy registrar and is closed or awaiting formal disciplinary action.

1240-022-738—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund.....

2,355,000

Schedule:

- (a) 33-State Board of Cosmetology .... 2,368,000
- (b) Reimbursements ..... - 13,000

1260-024-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund .....

1,863,000

Schedule:

- (a) 36-Board of Dental Examiners..... 1,873,000
- (b) Reimbursements ..... - 10,000

Item	Amount
Provisions:	
1. The budget for the 1984-85 fiscal year for this item shall be prepared using a zero-base budget technique.	
1270-026-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund .....	435,000
Schedule:	
(a) 36-Board of Dental Examiners.....	438,000
(b) Reimbursements .....	-3,000
Provisions:	
1. The budget for the 1984-85 fiscal year for the board shall be prepared using a zero-base budget technique.	
1280-028-325—For support of Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, Program 39, payable from the Electronic and Appliance Repair Fund .....	965,000
1300-030-180—For support of Bureau of Employment Agencies, Department of Consumer Affairs, payable from the Bureau of Employment Agencies Fund .....	523,000
Schedule:	
(a) 42.10.010-Employment Agencies ..	528,000
(b) 42.10.020-Distributed Employment Agencies .....	-5,000
1310-032-258—For support of Nurses' Registry. Program 42, payable from the Nurses' Registry Fund .....	18,000
1320-034-745—For support of State Board of Fabric Care, Program 45, payable from the Fabric Care Fund .....	821,000
1330-036-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund .....	491,000
Schedule:	
(a) 48-State Board of Funeral Director's and Embalmers .....	494,000
(b) Reimbursements .....	-3,000
1340-038-205—For support of State Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund..	153,000
1350-040-001—For support of State Board of Guide Dogs for the Blind, Program 54 .....	25,000
1360-042-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, Program 57, payable from the Bureau of Home Furnishings Fund .....	1,395,000



Item	Amount
1370-044-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund ....	223,000
Provisions:	
1. The board's schedule of expenditures relating to examinations shall be considered a line item budget, requiring notification of any internal shifting of funds to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees which consider appropriations in each house.	
1390-046-758—For support of Board of Medical Quality Assurance of the State of California, payable from the Contingent Fund of the Board of Medical Quality Assurance .....	11,189,000
Schedule:	
(a) 63.10.010-Board of Medical Quality Assurance.....	11,586,000
(b) 63.10.020-Distributed Board of Medical Quality Assurance .....	—316,000
(c) Reimbursements .....	—81,000
Provisions:	
1. \$1,052,000 of the amount appropriated by this item is to be used only for examination costs and may not be redirected to any other purpose.	
1390-047-175—For support of Board of Medical Quality Assurance of the State of California, Program 63, payable from the Dispensing Optician's Fund .....	136,000
1400-048-108—For support of Board of Medical Quality Assurance of the State of California, Program 63, payable from the Acupuncturists Fund.....	399,000
1410-050-208—For support of Board of Medical Quality Assurance of the State of California, payable from the Hearing Aid Dispensers Fund .....	115,000
Schedule:	
(a) 63.30-Hearing Aid Dispenser's Examining Committee .....	118,000
(b) Reimbursements .....	—3,000
1420-052-759—For support of Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund .....	268,000
Schedule:	
(a) 63.40-Physical Therapy Examining Committee .....	272,000
(b) Reimbursements .....	—4,000
1430-054-280—For support of Board of Medical Quality Assurance of the State of California, Program 63, payable from the Physicians Assistant Fund .....	173,000

Item	Amount
1440-056-295—For support of Board of Medical Quality Assurance of the State of California payable from the Podiatry Fund.....	297,000
Schedule:	
(a) 63.60-Podiatry Examining Committee .....	300,000
(b) Reimbursements .....	—3,000
1450-058-310—For support of the Board of Medical Quality Assurance of the State of California, payable from the Psychology Fund .....	649,000
Schedule:	
(a) 63.70-Psychology Examining Committee .....	657,000
(b) Reimbursements .....	—8,000
Provisions:	
1. The Psychology Examining Committee may not expend funds for the development of the committee's own written exam until the committee has studied the effect on interstate reciprocity of withdrawing from the nationally accepted licensing exam, and reported its findings to the Legislature.	
1455-059-319—For support of Board of Medical Quality Assurance of the State of California, Program 63, payable from the Respiratory Care Fund.....	422,000
1460-060-376—For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund .....	160,000
Schedule:	
(a) 63.80.010-Speech Pathology and Audiology Committee .....	162,000
(b) 63.80.010-Distributed Speech Pathology and Audiology Committee .....	—2,000
1470-062-260—For support of State Board of Examiners of Nursing Home Administrators payable from the Nursing Home Administrator's State License Examining Board Fund .....	249,000
Schedule:	
(a) 66-State Board of Examiners of Nursing Home Administrators .....	252,000
(b) Reimbursements .....	—3,000
1480-064-763—For support of State Board of Optometry, payable from the State Optometry Fund .....	285,000
Schedule:	
(a) 69-Board of Optometry .....	288,000
(b) Reimbursements .....	—3,000

Item	Amount
1490-066-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund.....	1,879,000
Schedule:	
(a) 72-Board of Pharmacy .....	1,900,000
(b) Reimbursements .....	—21,000
1500-068-770—For support of State Board of Registration for Professional Engineers, payable from the Professional Engineers' Fund.....	2,257,000
Schedule:	
(a) 75-State Board of Registration for Professional Engineers .....	2,260,000
(b) Reimbursements .....	—3,000
1510-070-761—For support of Board of Registered Nursing, Program 78, payable from the Board of Registered Nursing Fund .....	3,857,000
Schedule:	
(a) 78-Board of Registered Nursing....	3,927,000
(b) Reimbursements .....	—70,000
1520-072-771—For support of Certified Shorthand Reporters Board, Program 81, payable from the Shorthand Reporters' Fund .....	197,000
Schedule:	
(a) 81-Certified Shorthand Reporters Board .....	200,000
(b) Reimbursements .....	—3,000
1520-073-410—For support of Certified Shorthand Reporters Board, Program 81, payable from the Transcript Reimbursement Fund .....	250,000
1530-074-775—For support of Structural Pest Control Board, Program 84, payable from the Structural Pest Control Fund.....	1,899,000
1540-076-406—For support of Tax Preparers Program, Program 87, payable from the Tax Preparers Fund .....	258,000
1560-078-777—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund .....	469,000
Schedule:	
(a) 90.10.010-Board of Examiners in Veterinary Medicine.....	489,000
(b) 90.10.020-Distributed Board of Examiners in Veterinary Medicine ..	—11,000
(c) Reimbursements .....	—9,000
1570-080-118—For support of Board of Examiners in Veterinary Medicine, Program 90, payable from the Animal Health Technician Examining Committee Fund .....	70,000

Item	Amount
1590-082-779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund, Vocational Nurse Account .....	1,632,000
Schedule:	
(a) 91.10.010-Vocational Nurses.....	1,679,000
(b) 91.10.020-Distributed Vocational Nurses.....	—32,000
(c) Reimbursements .....	—15,000
1600-084-780—For support of Board of Vocational Nurse and Psychiatric Technicians Examiners of the State of California, Program 91, payable from the Vocational Nurse and Psychiatric Technicians Examiners' Fund, Psychiatric Technicians Account.....	388,000
Provisions:	
1. The amount appropriated from this item is from the moneys deposited under the provisions of Section 4547 of the Business and Professions Code.	
1640-086-001—For support of Division of Consumer Services, Department of Consumer Affairs, Program 93 .....	1,401,000
1640-086-702—For support of Division of Consumer Services, Department of Consumer Affairs, Program 93, payable from the Consumer Affairs Fund .....	570,000
1650-088-001—For support of Consumer Advisory Council, Department of Consumer Affairs, Program 92 .....	79,000
1655-090-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund Schedule:	1,612,000
(a) 94.01.010-Division of Administration .....	6,269,000
(b) 94.01.020-Division of Investigation .....	3,271,000
(c) 94.01.030-Building Maintenance and Operation .....	1,612,000
(d) 94.02-Distributed Administration .....	—9,369,000
(e) Reimbursements .....	—171,000
1655-092-494—For allocation by executive order of the Department of Finance, from the special funds of the boards, bureaus, committees and commissions of the Department of Consumer Affairs, in augmentation of the amounts in Items 1120-001-704 to 1655-090-702, inclusive, for the purposes of (1) preparing feasibility study reports to address the word-processing and the long-term electronic data processing requirements of the department's con-	

Item	Amount
stituent boards, bureaus, committees and commissions and (2) for lease of wordprocessing equipment .....	440,000
Provisions:	
1. An amount not to exceed \$100,000 may be allocated by the Department of Finance for preparation of feasibility study reports. The feasibility study reports to be prepared in accordance with this item shall be prepared in accordance with Sections 4921 to 4928, inclusive, of the State Administrative Manual. No funds, from any source, may be expended to implement a recommendation of the feasibility study report until the report has been approved by the Department of Finance, and in any case no sooner than 30 days after the report has been provided to the Joint Legislative Budget Committee.	
2. Any request for proposal for preparation of feasibility studies to be prepared in accordance with this item shall not be used for solicitation of bids unless approved by the Department of Finance, and in any case no sooner than 30 days after the Joint Legislative Budget Committee has been provided a copy of the request for proposal, the source of funding for the intended contract, and the basis for determining the amount of funds available for the contract.	
3. An amount not to exceed \$340,000 may be allocated by the Department of Finance for the lease, for a period not to exceed one year, of electronic wordprocessing equipment. No funds may be expended to lease equipment unless a feasibility study report addressing wordprocessing requirements has been approved by the Secretary of the State and Consumer Services Agency and by the Department of Finance, State Office of Information Technology, and not sooner than 30 days after the report has been provided to the Joint Legislative Budget Committee.	
1700-001-001—For support of Department of Fair Employment and Housing.....	8,315,000
Schedule:	
(a) 10-Enforcement of Anti-Discrimination Laws.....	7,440,000
(b) 30-Administrative Services .....	899,000
(d) Reimbursements .....	—24,000

Item	Amount
Provisions:	
1. The department shall not enter into any contract with the federal government for processing more than 6,000 federal cases, unless the federal government reimburses the department for the full costs of processing every case in excess of 6,000.	
2. The department shall not enter into any contract with the federal government to require the department to resolve any specific number of cases through settlement procedures.	
3. The department shall establish an internal reporting system out of existing funds for tracking its cases. This system shall provide information about each case, including its history, staff time devoted to each case, and money expended to process each case. By December 1, 1983, the department shall submit a report on its findings to the Legislature and to the Legislative Analyst.	
1700-001-890—For support of Department of Fair Employment and Housing, payable from the Federal Trust Fund .....	1,852,000
Schedule:	
(a) 10-Enforcement of Anti-Discrimination Laws.....	1,630,000
(c) 30-Administrative Services .....	222,000
1705-001-001—For support of the Fair Employment and Housing Commission .....	613,000
(a) 100000-Personal Services .....	495,000
(b) 300000-Operating Expenses and Equipment .....	118,000
Provisions:	
1. The commission shall establish an internal reporting system out of existing funds for tracking its cases. This system shall provide information about each case, including its history, staff time devoted to the case, and money expended in processing the case. By December 1, 1983, the commission shall submit a report on its findings to the Legislature and to the Legislative Analyst.	
2. It is the intent of the Legislature that the commission shall not consolidate its Sacramento and San Francisco offices at its San Francisco facility.	
1710-001-001—For support of State Fire Marshal .....	4,029,000
Schedule:	
(a) 100000-Personal Services .....	4,025,000
(b) 300000-Operating Expenses and Equipment .....	1,522,000
(c) Reimbursements .....	-1,223,000

Item	Amount
(d) Amount payable from the California Fire Services Training and Education Fund (Item 1710-001-198) —295,000	
1710-001-198—For support of the State Fire Marshal, payable from the California Fire Services Training and Education Fund.....	295,000
1730-001-001—For support of Franchise Tax Board .....	91,676,000
Schedule:	
(a) 100000-Personal Services .....	74,621,000
(b) 300000-Operating Expenses and Equipment .....	20,859,000
(c) Reimbursements .....	—2,850,000
(d) Amount payable from Item 8640-001-001 Political Reform Act of 1974 .....	—880,000
(e) Amount payable from the California Election Campaign Fund (Item 1730-001-905) .....	—74,000
Provisions:	
1. Not more than \$880,000 shown in schedules (a) and (b) of this schedule and any other amounts appropriated for salary and benefit increases may be expended for purposes of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).	
2. The Franchise Tax Board shall use the effectiveness criterion of net assessments per dollar cost in its audit selection and resource allocation processes and in reporting accomplishments to the Legislature. The board may use other criteria in evaluating the effectiveness of other aspects of the audit program. The board shall select audits and allocate audit resources solely on the basis of the incremental or marginal net assessments expected to be produced. Nothing in this proviso shall require the board to individually rank each return or preclude the board from conducting sample or discovery audits to the extent necessary.	
1730-001-905—For support of Franchise Tax Board, to be transferred to Item 1730-001-001, payable from the California Election Campaign Fund.....	74,000
1760-001-001—For support of the Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666 .....	5,171,000

Item	Amount
1760-001-002—For support of the Department of General Services, for activities other than the Office of State Printing, payable from the Property Acquisition Law Account, General Fund .....	683,000
1760-001-003—For support of Department of General Services for activities other than the Office of State Printing, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund .....	2,018,000
1760-001-006—For support of Department of General Services for activities other than the Office of State Printing, payable from the Access for Handicapped Account, General Fund .....	206,000
1760-001-026—For support of the Department of General Services for activities other than the Office of State Printing, payable from the State Motor Vehicle Insurance Account, General Fund .....	6,246,000
1760-001-022—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from State Emergency Telephone Number Account, General Fund .....	341,000
1760-001-120—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from Architecture Public Building Fund .....	1,075,000
1760-001-121—For support of Department of General Services for activities other than the Office of State Printing, payable from Hospital Building Account, Architecture Public Building Fund .....	2,660,000
1760-001-189—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from the Energy Account, Energy and Resources Fund .....	1,028,000
1760-001-344—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from the State School Building Lease Purchase Fund .....	1,065,000
1760-001-450—For support of Department of General Services for activities other than the Office of State Printing, payable from the Seismic Gas Valve Certification Fund .....	65,000
1760-001-602—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from the Architecture Revolving Fund....	9,505,000



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Amount

**Provisions:**

1. The appropriation from the Architecture Revolving Fund Item 1760-001-602 is for expenditure by the Office of State Architect for the purposes specified in Section 14957 of the Government Code.
2. Any balances in the Architecture Revolving Fund continue to be appropriated by and subject to Section 14957 of the Government Code, and are available for construction and for augmentation of this appropriation. During the 1983-84 fiscal year the Office of State Architect, Department of General Services, shall maintain expenditures for staff to a level commensurate with the funds necessary to maintain a staff sufficient to perform a basic architectural and engineering services workload volume of \$31,129,000, as projected to June 30, 1984.
3. Within 60 days of the enactment of this act, notice shall be given to the Joint Legislative Budget Committee of the revisions necessary to the budget of the Department of General Services funded from the Architecture Revolving Fund to reflect the changes made to capital outlay project funding by the Legislature. The Director of Finance shall, pursuant to Section 28 of this act, revise the appropriations contained in this item to coincide with the revisions reported by the department.
4. Prior to December 1, 1983, the Director of General Services shall report to the Chairman of the Joint Legislative Budget Committee and chairpersons of the fiscal committees of each house on the progress in implementing a "Construction Management (CM) Unit" in the Office of State Architect pursuant to recommendation in the Analysis of the Budget Bill for 1983-84. The progress report shall include at a minimum the following information:
  - (1) The number of projects currently administered under the CM unit.
  - (2) The estimated cost savings over traditional administration for each project.
  - (3) The amount of time saved in design/construction of each project which is a direct result of CM.
  - (4) The status of all CM projects as to planned versus actual completion dates for the vari-

Item	Amount
ous project phases.	
1760-001-666—For support of Department of General Services for activities other than the Office of State Printing, payable from the Service Revolving Fund	186,693,000
(a) 100000-Personal Services .....	103,584,000
(b) 300000-Operating Expenses and Equipment .....	143,997,000
(c) Amount payable from the General Fund (Item 1760-001-001) .....	—5,171,000
(d) Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022) .....	—341,000
(e) Amount payable from the Architecture Public Building Fund (Item 1760-001-120) .....	—1,075,000
(e.1) Amount payable from the Hospital Building Account, Architecture Public Building Fund (Item 1760-001-121) .....	—2,660,000
(f) Amount payable from the Energy Account, Energy and Resources Fund (Item 1760-001-189) .....	—1,028,000
(g) Amount payable from the Architecture Revolving Fund (Item 1760-001-602) .....	—9,505,000
(h) Amount payable from the State School Building Aid Fund (Item 1760-001-739) .....	—617,000
(i) Amount payable from the Federal Trust Fund (Item 1760-001-890) ..	—100,000
(j) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961) .....	—193,000
(k) Amount payable from the State School Lease Purchase Fund (Item 1760-001-344) .....	—1,065,000
(l) Distributed services .....	—39,133,000
1. From any balance in the Service Revolving Fund, the Director of General Services, with the approval of the Director of Finance, may expend funds in excess of the amount appropriated in this item for the purchase of office copier machines, and provided further, that any such amounts authorized by the Director of Finance for the purchase of officer copier machines are hereby appropriated from the Service Revolving Fund as a loan to be repaid upon such terms	

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- and conditions as prescribed by the Director of Finance.
2. Temporary help and overtime authorizations for the Structural Safety Section shall not be transferred to any other section of the Office of the State Architect, or to any other division of the Department of General Services.
  3. Prior to allocation of any additional funds for utility expenditures, the Department of Finance shall report the need for this allocation pursuant to Section 28.00. By March 1, 1984, the Department of General Services shall report to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee on the actual costs and savings attributable to operation of the gasification plant.
  4. None of the funds appropriated by this item may be expended for direct staff support for the State Public Works Board. The executive secretary of the board and any direct staff support shall be provided by the Department of Finance.
  5. In addition to the year-end transfer of approximately \$1,500,000 in surplus funds authorized by Section 16422 of the Government Code, the Controller shall transfer a total of \$1,349,000 from the Service Revolving Fund, Building Rental Account, to the General Fund. These transfers shall be made quarterly on September 30, 1983, December 31, 1983, March 31, 1984, and June 30, 1984.
  7. The Department of General Services shall negotiate air fare discounts and shall prepare a study to determine the cheapest mode of transportation and lodging for state employees and report thereon to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee on or before September 10, 1983.
- 1760-001-739—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from the State School Building Aid Fund 617,000
- 1760-001-890—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from the Federal Trust Fund..... 100,000

Item	Amount
1760-001-961—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 1760-001-666, payable from the State School Deferred Maintenance Fund .....	193,000
1760-011-666—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment, and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the State at the depreciated value at the time of purchase payable at the option of the Service Revolving Fund over the remaining depreciation period.	
1760-021-666—For support of Office of State Printing, Department of General Services, payable from the Service Revolving Fund .....	37,866,000
Schedule:	
(a) 100000-Personal Services .....	15,577,000
(b) 300000-Operating Expenses and Equipment .....	22,289,000
Provisions:	
1. Purchase of any equipment for the Office of State Printing, except as provided for in this Item, is subject to Section 28 of this act.	
2. Any surplus resulting from legislative printing shall be shown as reimbursements to Item 0130-021-001 of this act.	
3. None of the \$216,000 appropriated by this item for the printing plant's textbook workload may be expended prior to approval by the Department of Finance, and no sooner than 30 days after written notification by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee may determine.	

Item	Amount
1760-101-022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account, General Fund .....	20,803,000
1760-301-036—For capital outlay, Department of General Services, payable from the Special Account for Capital Outlay, General Fund .....	119,000
Schedule:	
(d) Statewide—Space Planning .....	119,000
(1) Van Nuys Office Building .....	14,000
(2) New San Francisco Office Building .....	8,000
(3) Franchise Tax Board Facility .....	85,000
(4) New Los Angeles Office Building .....	12,000
1760-311-036—For capital outlay, Department of General Services, replacement of PCB-contaminated equipment, payable from the Special Account for Capital Outlay, General Fund .....	1,806,000
1760-495—Reversion, Department of General Services. As of June 30, 1983, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriations were made.	
001—General Fund	
(1) Chapter 28, Statutes of 1979.	
1760-496—Reversion, Department of General Services. On the effective date of this act, the undisbursed balance in excess of any encumbrances in the following work order accounts shall be transferred by the Controller from the Architecture Revolving Fund to the General Fund: CIT 218; CIT 904; HAG 702; HPA 803; HSO 000; HSO 305; HSO 312; YTS 603; CSQ 803; YTS 901; YPI 806; YPS 702; HCA 803; YAD 802; YPS 604; and YRS 603. By October 1, 1983, the Controller shall submit, to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committee in each house, a report identifying the amount transferred from each account to the General Fund.	

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<p>2. On the effective date of this act, the undisbursed balance in excess of any encumbrances in the following work order accounts shall be transferred by the Controller from the Architecture Revolving Fund to the General Fund:</p> <p>All savings in work order accounts for projects identified in the Director of Development Services' hospital renovation post-audit report, dated May 4, 1983, to the Chairman of the Joint Legislative Budget Committee. Up to \$800,000 of the unencumbered, undisbursed balances identified in the director's report may be retained for expenditure during the 1983-84 fiscal year only. By October 1, 1983, the State Controller shall submit, to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committee in each house, a report identifying the amount transferred from each account to the General Fund.</p>	
<p>1880-001-001—For support of State Personnel Board.... Schedule:</p>	21,392,000
(a) 10-Merit System Administration .	21,927,000
(b) 20-Appeals .....	1,767,000
(c) 40-Local Government Services ...	1,504,000
(d) 50.01-Administrative Services.....	3,583,000
(e) 50.02-Distributed Administrative Services .....	-3,503,000
(f) Reimbursements.....	-3,886,000
Provisions:	
<p>1. None of the funds specified in Program 10 for the jobs program, exclusive of COD participants who are clients of the Department of Rehabilitation, shall be used for defraying the payroll cost of a participant unless the employer of the participant pays at least 20 percent of such payroll cost.</p>	
<p>2. To maximize the use of federal funds in the state, the State Personnel Board shall enter into an agreement with the Department of Rehabilitation for transfer of \$1,687,000 of the funds appropriated in category (a), which the department shall use to match available Rehabilitation "110" federal funds; provided further, that the interagency agreement shall require the Department of Rehabilitation to purchase on-the-job training services from the State Personnel Board in the amount of \$1,687,000, to be paid from these matched funds, and to</p>	

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- provide the State Personnel Board \$374,976 of these matched funds to support administrative activities and related costs in the Board's Disabled Unit.
3. Salary increases for trainees in the career opportunities development program shall be equivalent to such increases granted state civil service employees of similar classifications within the same bargaining unit for the 1983-84 fiscal year.
  4. The State Personnel Board may receive unbudgeted reimbursements from state agencies pursuant to interagency agreements for the provision of additional personnel services only upon approval of the Director of Finance and notification to the Legislature pursuant to the provisions of Section 28, except for reimbursements for which funding originates from non-state sources.
  5. \$68,000 of the \$275,000 appropriated by this item for support of coordinators under the Career Opportunities Development Program shall be used to provide salaries for Career Opportunities Development Trainees.
  6. \$163,000 of the funds appropriated for Program 10 of this item are for 4.6 analyst positions and one clerical position. These positions shall be used to conduct compensation surveys and to research and prepare other data needed by the employer to conduct negotiations and by the Legislature to evaluate negotiated compensation increases. These surveys shall include trends in collective bargaining. In addition, the State Personnel Board shall submit to be Legislature, upon the request of the chairperson of the committee in each house which considers appropriations or the chairperson of the Joint Legislative Budget Committee, or his or her designee, calculations of specific percentage differences in salaries between state civil service employees and nonstate employees. This information shall be included unless it pertains to civil service classes represented by an exclusive bargaining agent under the provisions of the State Employer-Employee Relations Act, and a memorandum of understanding has not yet been submitted to the Legislature for approval. However, information relative to those classes shall be released by the State Personnel Board

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and submitted to the Legislature, upon request as herein specified, in conjunction with any memorandum of understanding affecting those classes which is submitted to the Legislature.	
1880-001-677—For support of State Personnel Board, for Program 40-Local Government Services, payable from the Cooperative Personnel Services Revolving Fund .....	1,363,000
1900-001-001—For support of Board of Administration of the Public Employees' Retirement System .....	52,000
Schedule:	
(a) 10-Retirement.....	21,000
(b) 20-Social Security.....	31,000
1900-001-820—For support of Board of Administration of the Public Employees' Retirement System, Program 10-Retirement, payable from the Legislators' Retirement Fund.....	85,000
Provisions:	
1. The appropriation made by this item is for support of the Board of Administration in accordance with Section 9354 of the Government Code.	
1900-001-830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund .....	25,785,000
Schedule:	
(a) 10-Retirement.....	24,930,000
(b) 20-Social Security.....	508,000
(c) 40-PERS System Redesign Project .....	1,096,000
(d) 50.01-Administration.....	14,244,000
(e) 50.02-Administration—	
Distributed .....	— 13,642,000
(f) Reimbursements.....	— 1,351,000
Provisions:	
1. Of the amount appropriated by this item, \$248,000 shall be used for the development of a contribution reporting system which accounts for employees' contributions paid by the employer to the Public Employees' Retirement System. This amount shall be advanced from the Public Employees' Retirement Fund and shall be repaid over a three-year period, beginning with the 1983-84 fiscal year, through appropriate charges levied by the Board of Administration of the Public Employees' Retirement System against agencies which elect to pay all or a portion of these employees' contributions.	



Item	Amount
1900-001-950—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Contingency Reserve Fund .....	2,495,000
Schedule:	
(a) 10-Retirement.....	7,000
(b) 30-Health Benefits.....	2,527,000
(c) Reimbursements .....	—39,000
Provisions:	
1. The appropriation made by this item is for support of the Board of Administration pursuant to Section 22840 of the Government Code.	
1900-001-962—For support of Board of Administration of the Public Employees' Retirement System, Program 10-Retirement, payable from the Volunteer Firefighters Length of Service Award System Fund .....	58,000
1900-011-001—For support of Board of Administration of the Public Employees' Retirement System, for costs incurred by the Board of Administration of the Public Employees' Retirement System in administering the provisions of the Judges' Retirement Law pursuant to Section 75005 of the Government Code, Program 10-Retirement, the sum of \$132,000 is appropriated from the General Fund to the Judges' Retirement Fund. ....	132,000
1900-011-830—For the support of Board of the Administration of the Public Employees' Retirement System, Program 10-Retirement, payable from the Public Employees' Retirement Fund.....	500,000
Provisions:	
1. An amount not to exceed \$500,000 shall be appropriated from the Public Employees' Retirement Fund to the Public Employees' Retirement Board to finance a study of the program, organizational, managerial, and staffing needs of the system. The study shall be accomplished by a qualified consultant, and shall be based upon criteria developed by the staff of the Public Employees' Retirement System in conjunction with the Department of Finance, the Legislative Analyst, and legislative staff. The study shall begin as soon as possible after the commencement of the 1983-84 fiscal year with a preliminary report to the Legislature not later than March 1, 1984, and a final report due on July 1, 1984. While the Governor is encouraged to incorporate, in his 1984-85 Budget request, any changes necessary to place the system on a more	

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efficient basis, the Legislature shall review proposed changes in accord with information and recommendations contained in the preliminary report and other documentation furnished by the consultant.

2. The study required by this item shall be awarded to the lowest qualified bidder, following a competitive bidding process. No funds shall be expended from this item sooner than 30 days after the Department of Finance notifies the Joint Legislative Budget Committee regarding the scope and cost of the study.

1920-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund.....

13,773,000

Schedule:

- |  |           |
|--|-----------|
| (a) 100000-Personal Services .....   | 7,922,000 |
| (b) 300000-Operating Expenses and Equipment .....  | 6,243,000 |
| (c) Reimbursements .....   | - 330,000 |
| (d) Amount payable from the Teacher Tax Sheltered Annuity Fund (Item 1920-001-963) ..... | - 62,000  |

Provisions:

1. Positions shall be filled and reclassified upon approval of the Director of Finance until such time that the State Teachers' Retirement System (STRS) shall provide a plan for the implementation of the "on-line" data processing system currently underway at STRS. This plan shall be prepared by STRS and shall include, but need not be limited to: (a) the organizational structure upon full implementation, (b) a revised timeline for full implementation, (c) an updated estimate of the annual costs and savings and other benefits up to, and including, full implementation, and (d) an estimate of any backlogs which may occur during implementation.
2. The Board of Administration of the State Teachers' Retirement System shall submit a comprehensive plan for the administration of the STRS investment portfolio to the Joint Legislative Budget Committee by October 15, 1983. No funds appropriated by this item shall be used to increase the number of personnel year equivalents for staff who are authorized to invest funds for the system prior to the 30-day notification to the Joint Legislative Budget Committee.

Item	Amount
1920-001-963—For support of State Teachers' Retirement System, to be transferred to Item 1920-001-835 payable from the Teacher Tax Sheltered Annuity Fund .....	62,000
Provisions:	
1. This appropriation is for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22231 of the Education Code.	
1960-001-001—For support of Department of Veterans Affairs .....	2,074,000
Schedule:	
(a) 100000-Personal Services .....	2,134,000
(b) 300000-Operating Expenses and Equipment .....	391,000
(c) Educational Assistance to Veterans' Dependents .....	459,000
(d) Amounts payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592) .....	-757,000
(e) Reimbursements .....	-117,000
(f) Amounts payable from the California National Guard Farm and Home Building Fund of 1978.....	-36,000
Provisions:	
1. Expenditures pursuant to schedule (c) are for educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Sections 890 through 899 of the Military and Veterans Code provided, that no funds appropriated by this item, except as specified, may be expended to provide financial assistance for the education of dependents of non-California veterans killed or totally disabled as a result of active military service and of non-California servicemen currently missing in action.	
2. This restriction shall not apply to dependents receiving such financial assistance in, or prior to, fiscal year 1978-79. Provided further, that "non-California veteran" means persons not meeting the requirements of Section 980 of the Military and Veterans Code.	
3. No funds shall be expended for educational assistance program grants to persons whose family incomes exceed the following limits:	
(a) \$25,000 for three or fewer family members.	
(b) \$27,000 for four family members.	
(c) \$29,000 for five family members.	

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(d) \$31,000 for six or more family members.	
(e) \$33,000 for three or more family members, if at least two members are attending college.	
As used in this provision, the term "family member" shall include only the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; the dependent brothers and sisters, either natural or adoptive, of the dependent applicant; the spouse of the dependent applicant, if married; and any other persons who are dependent upon the family income for more than 50 percent of their support. The term "family income" shall include only the income of the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; and, if married, the spouse of the dependent applicant; and shall mean "adjusted gross income" as that term is defined in Section 17072 of the Revenue and Taxation Code.	
1960-001-592—For support of Department of Veterans' Affairs to be transferred to Item 1960-001-001 payable from the Veterans' Farm and Home Building Fund of 1943 .....	757,000
1960-101-001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county service officers, to be expended in accordance with Section 972 of the Military and Veterans Code .....	420,000
1970-011-001—For support of Veterans' Home of California .....	18,586,000
Schedule:	
(a) 100000-Personal Services .....	16,268,000
(b) 300000-Operating Expenses and Equipment .....	6,294,000
(c) Reimbursements .....	-3,976,000
Provisions:	
1. The Veterans' Home of California shall collect from home members, after due consideration of income and family status, fees and charges of domiciliary, nursing home, and hospital care not to exceed 18 percent of the General Fund support for the Veterans' Home.	

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2. Any reimbursements or federal funds received by the Veterans' Home of California in excess of the amounts set forth in this item shall revert to the unappropriated surplus of the General Fund in a manner prescribed by the Department of Finance, unless expenditure of such funds is authorized by the Department of Finance. Such authorization shall not become effective sooner than 30 days after notification in writing of the Joint Legislative Budget Committee or such lesser time as the committee or its designee may, in each instance, determine.	
1970-011-890—For support of Veterans' Home of California, payable from the Federal Trust Fund .....	8,869,000
(a) Personal Services.....	6,474,000
(b) Operating Expenses and Equipment .....	2,395,000
1970-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs payable from the Special Account for Capital Outlay, General Fund.....	380,000
Schedule:	
(1) Hospital addition (Acute Care Facility)—working drawings.....	380,000
Provisions:	
1. No funds for working drawings related to the Department of Veterans Affairs Master Plan are to be released prior to 30 days' written notice to the Joint Legislative Budget Committee that the project qualifies for 65 percent federal matching grant funds.	

### BUSINESS, TRANSPORTATION AND HOUSING

2100-001-001—For support of Department of Alcoholic Beverage Control .....	14,168,000
Schedule:	
(a) 10.10-Licensing .....	9,424,000
(b) 10.20-Compliance .....	5,054,000
(c) 10.30.010-Administration .....	1,836,000
(d) 10.30.020-Distributed Administration .....	-1,836,000
(e) Reimbursements .....	-310,000
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund .....	197,000

Item	Amount
Provisions:	
1. Of the funds appropriated by this item, up to \$3,600 may be used to pay per diem and expenses for board members, which shall be in lieu of any salary for board members. No funds appropriated by this act may be used to pay the salary of any member of the board.	
2120-011-117—For support of Alcoholic Beverage Control Appeals Board, to be transferred to the General Fund for repayment of the loan, and interest thereon, made by Item 2120-001-001, Budget Act of 1982, payable from the Alcoholic Beverage Control Appeals Fund .....	286,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund .....	7,210,000
Schedule:	
(a) 100000-Personal Services .....	5,674,000
(b) 300000-Operating Expenses and Equipment .....	1,695,000
(c) Reimbursements .....	—100,000
(d) Amount payable from the Local Agency Deposit Security Fund (Item 2140-001-240) .....	—59,000
2140-001-240—For support of State Banking Department, payable from the Local Agency Deposit Fund .....	59,000
2180-001-001—For support of Department of Corporations.....	7,247,000
Schedule:	
(a) 100000-Personal Services .....	10,870,000
(b) 300000-Operating Expenses and Equipment .....	2,642,000
(c) Reimbursements .....	—6,265,000
Provisions:	
1. Notwithstanding the provisions of Section 1382 of the Health and Safety Code, any payments received pursuant to that section shall be credited to this item as reimbursements and are hereby appropriated for the purposes of this item.	
2200-001-001—For support of Department of Economic and Business Development.....	7,205,000
Schedule:	
(a) 10-Office of Business and Industrial Development.....	595,000
(b) 30-Office of Tourism.....	670,000
(c) 40-Office of Local Economic Development .....	328,000
(d) 50-Office of Small Business Development.....	5,248,000

Item	Amount
(e) 60-Office of Economic Planning Policy and Research Develop- ment .....	500,000
(f) 70.01-Administration .....	637,000
(g) 70.02-Distributed Administration .....	-637,000
(h) Reimbursements .....	-136,000
Provisions:	
1. Of the amount appropriated in category (d) for support of the Office of Small Business Develop- ment, \$3,423,000 shall be for transfer to the Small Business Expansion Fund, and shall be available for expenditure only upon enactment of AB 271 of the 1983-84 regular session.	
2. Of the amount appropriated in category (d) for support of the Office of Small Business Develop- ment, up to \$100,000 shall be for administrative support and \$400,000 for loan guarantees to sup- port a new regional corporation in San Fran- cisco.	
2200-001-890—For support of Department of Economic and Business Development, payable from the Fed- eral Trust Fund .....	136,000
Schedule:	
(a) 10-Office of Business and Indus- trial Development.....	25,000
(b) 40-Office of Local Economic De- velopment .....	37,000
(c) 50-Office of Small Business Devel- opment.....	22,000
(d) 60-Office of Economic Planning Policy and Research Develop- ment .....	52,000
2200-101-922—For local assistance, Department of Eco- nomic and Business Development, Program 40, Of- fice of Local Economic Development, payable from the California Economic Development Grant and Loan Fund .....	1,200,000
Provisions:	
1. In addition to moneys appropriated by this item, all revenues received and deposited into the California Economic Development Grant and Loan Fund shall be available to the department during the 1983-84 fiscal year for expenditure not sooner than 30 days after written notifica- tion of the necessity thereof is submitted to the chairperson of the committee in each house which considers appropriations and the Chair- person of the Joint Legislative Budget Commit-	

Item	Amount
tee.	
2. Notwithstanding Provision 1, at least 80 percent of the amount appropriated by this item shall be expended for the purpose of providing loans, and the remainder of the amount appropriated by this item shall be expended for the purpose of providing grants to public agencies and private businesses for economic development activities.	
2230-001-215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund .....	231,000
2240-001-001—For support of Department of Housing and Community Development .....	5,201,000
Schedule:	
(a) 10-Codes and Standards Program	1,689,000
(b) 20-Community Affairs Program ..	7,407,000
(c) 30.01-Research and Policy Development Program .....	1,167,000
(cx) 30.02-Research and Policy Development Program—Distributed ....	— 160,000
(d) 50.01-Administration .....	4,513,000
(e) 50.02-Distributed Administration..	— 4,513,000
(f) Reimbursements.....	— 4,902,000
Provisions:	
1. \$100,000 of the appropriation to augment the Rural Development Assistance Program shall be used to continue program operations at the Banning field office.	
2. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee written notification that an equipment inventory has been completed by the department according to state administrative procedures.	
3. As provided under Sections 33080, 34328.1, 50406, and 50460 of the Health and Safety Code, reimbursements shall be collected from local housing authorities and redevelopment agencies by the Department of Housing and Community Development for support of activities related to the compilation and publication of legislatively-mandated reports.	



Item	Amount
<p>4. \$428,000 of the funds appropriated for 10.5 positions, which were redirected to Administration and Legal, shall only be available if \$1,167,000 is available for 26.5 positions for Research and Policy Development.</p>	
<p>2240-001-245—For support of Department of Housing and Community Development, Program 10—Codes and Standards, payable from the Mobile-home Parks Revolving Fund .....</p>	1,736,000
Provisions:	
<p>1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee, a written notification that an equipment inventory has been completed by the department according to state administrative procedures.</p>	
<p>2240-001-451—For support of Department of Housing and Community Development, Program 10—Codes and Standards, payable from the Mobile-home and Commercial Coach License Fee Account, General Fund .....</p>	1,554,000
Provisions:	
<p>1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted written notification to the Joint Legislative Budget Committee. This notification shall state that an equipment inventory has been completed by the department in accordance with state administrative procedures.</p>	
<p>2240-001-635—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Housing Predevelopment Loan Fund .....</p>	174,000
Provisions:	
<p>1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee, written notification that an equipment inventory has been completed by the department according to state administrative</p>	

Item	Amount
tive procedures.	
2240-001-648—For support of Department of Housing and Community Development, Program 10—Codes and Standards, payable from the Mobile-home-Manufactured Home Revolving Fund .....	8,223,000
Provisions:	
1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee, written notification that an equipment inventory has been completed by the department according to state administrative procedures.	
2240-001-890—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Federal Trust Fund .....	716,000
Provisions:	
1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee written notification that an equipment inventory has been completed by the department according to state administrative procedures.	
2240-001-925—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Land Purchase Fund .....	35,000
Provisions:	
1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee, written notification that an equipment inventory has been completed by the department according to state administrative procedures.	
2240-001-929—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Housing Rehabilitation Loan Fund .....	387,000

Item

Amount

## Provisions:

1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted notification to the Joint Legislative Budget Committee pursuant to Section 28.00. This notification shall state that an equipment inventory has been completed by the department in accordance with state administrative procedures.

2240-001-936—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Homeownership Assistance Fund ..... 208,000

## Provisions:

1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee, written notification that an equipment inventory has been completed by the department according to state administrative procedures.

2240-001-938—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Rental Housing Construction Fund..... 310,000

## Provisions:

1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee written notification that an equipment inventory has been completed by the department according to state administrative procedures.

2240-001-980—For support of Department of Housing and Community Development, Program 20—Community Affairs, payable from the Urban Housing Development Loan Fund ..... 74,000

Item	Amount
Provisions:	
1. None of the funds appropriated to the Department of Housing and Community Development for the purchase of office equipment shall be expended sooner than 30 days after the Director of Finance has submitted to the Joint Legislative Budget Committee, written notification that an equipment inventory has been completed by the department according to state administrative procedures.	
2240-101-001—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs .....	7,075,000
Provisions:	
1. All funds made available pursuant to the Small Cities Community Development Block Grant Program shall be used primarily for the benefit of low- and moderate-income persons.	
2. At least 51 percent of the funds made available pursuant to the Small Cities Community Development Block Grant Program shall be utilized by cities and counties receiving the funds for the purpose of providing or improving housing opportunities for low- and moderate-income households, or for purposes directly related to the provision or improvement of housing opportunities for low- and moderate-income households, including, but not limited to, the construction of infrastructure.	
3. As a condition of receiving funds, a city or county shall have submitted a housing element to the department pursuant to the provisions of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, except that no local application for funds shall be denied because of the content of the city's or county's housing element or the department's review of, and findings with respect to, the city's or county's housing element, except as provided in Provision 4.	
4. No city or county shall be eligible to receive funds pursuant to the Small Cities Community Development Block Grant Program if the city or county has adopted a general plan, ordinance, or other measure which directly limits, by number: (a) the building permits that may be issued for residential construction or, (b) the buildable lots which may be developed for residential pur-	

## Item

## Amount

poses. However, this provision shall not be applicable to: (1) a measure enacted as of May 5, 1982, which: (a) imposes a moratorium, to protect the public health and safety, on residential construction for a specified period of time, if, under the terms of the ordinance, the moratorium will cease when the public health or safety is no longer jeopardized by the construction, or (b) creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 1 of Division 1 of Title 5 of the Government Code, or (c) was adopted pursuant to a specific requirement of a state or multistate board, agency, or commission, or (2) a city or county which has a housing element for which the department has issued findings of adequacy pursuant to subdivision (c) of Section 65585 or Section 65586 of the Government Code at the time the city or county applies for funds under the Small Cities Community Development Block Grant Program, unless a final court order has found that the housing element is not in compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

5. One and one-fourth percent of funds made available under the Small Cities Community Development Block Grant Program shall be set aside for eligible cities and counties applying on behalf of non-federally recognized Indian Tribal Governments. Priority for these funds shall be to applicants submitting quality applications.
6. Provisions 1 to 5, inclusive, of this item shall only apply until and unless AB 2154 of the 1983-84 Regular Session, relating to criteria for assumption of the Small Cities Community Development Block Grant Program, is chaptered and effective.
7. Of the amount appropriated by this item, \$2,500,000 shall be available for transfer to the Farmworker Housing Grant Fund (927).

2240-101-635—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Housing Predevelopment Loan Fund .....	1,590,000
2240-101-890—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Federal Trust Fund .....	39,107,000

Item	Amount
Provisions:	
1. Provisions 1 to 6, inclusive, of Item 2240-101-001 are also applicable to this item.	
2240-101-925—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Land Purchase Fund .....	393,000
2240-101-927—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Farm-worker Housing Grant Fund .....	2,500,000
2240-101-929—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Housing Rehabilitation Loan Fund .....	346,000
2240-101-936—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Home-ownership Assistance Fund.....	512,000
2240-101-938—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Rental Housing, Construction Fund .....	1,615,000
2240-101-942—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Special Deposit fund .....	800,000
2240-101-980—For local assistance, Department of Housing and Community Development, Program 20—Community Affairs, payable from the Urban Housing Development Loan Fund.....	2,441,000
2270-001-457—For support of California Mortgage Bond Allocation Committee, payable from the Mortgage Bond Allocation Fee Account, General Fund .....	15,000
2290-001-001—For transfer to the Insurance Fund upon written approval of the Department of Finance, to provide operating funds for support of the Department of Insurance .....	(2,793,000)
Provisions:	
1. The amount available for transfer pursuant to this item shall be a temporary short-term loan to be repaid by the Insurance Fund from revenues received from operations. The loan shall be repaid, with interest, not later than October 1, 1984.	
2290-001-217—For support of Department of Insurance, payable from the Insurance Fund .....	16,929,000

## Item

## Amount

## Schedule:

- (a) 10-Regulation of Insurance Companies and Insurance Producers .. 16,022,000
- (b) 20-Fraud Control..... 769,000
- (c) 30-Tax Collection and Audit..... 138,000
- (d) 40.01-Administration..... 3,841,000
- (e) 40.02-Distributed Administration.. -3,841,000

## Provisions:

1. On the effective date of the 1983 Budget Act, any surplus remaining in the Insurance Commissioner Regulatory Trust Fund (218) shall be transferred to the Insurance Fund (217).
2. The department is authorized to expend an amount not to exceed \$200,000 for interest expense during the 1983-84 fiscal year. If interest expenses are less than \$200,000 the difference shall revert to the Insurance Fund.
3. If increased lease costs are less than \$180,000, the difference shall revert to the Insurance Fund.
4. Of the moneys appropriated by this item, \$400,000 may not be encumbered unless authorized by the Director of Finance and not sooner than 30 days after written notification of the necessity thereof is given to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.

2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund ..... 17,460,000

## Schedule:

- (a) 100000-Personal Services ..... 11,664,000
- (b) 300000-Operating Expenses and Equipment ..... 4,827,000
- (c) Education and Research ..... 672,000
- (d) Recovery Act ..... 537,000
- (e) Reimbursements ..... -240,000

## Provisions:

1. The Director of Finance may authorize the expenditure of \$283,000 appropriated by this Item for the establishment of 10 personnel years of temporary help only after written notification of the necessity is given to the Chairperson of the Joint Legislative Budget Committee.

Item	Amount
2. The \$472,000 appropriated for education and research shall not be expended unless the department develops a list of proposed education and research projects indicating the need and estimated expenditures for these activities, and submits this list to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee on or before September 1, 1983.	
3. Funding for 7.5 positions in the subdivision program shall only be available after the Director of Finance provides written notification of the necessity for the positions to the Chairperson of the Joint Legislative Budget Committee pursuant to the provisions of Section 28.00. The 7.5 positions shall be for a limited term until June 30, 1984.	
4. The Director of Finance may authorize the expenditure of \$283,000 and 10 personnel years for the regulation of mortgage loan brokers after written notification of the necessity therefor has been provided to the Chairperson of the Joint Legislative Budget Committee pursuant to the provisions of Section 28.00.	
2340-001-337—For support of Department of Savings and Loan, payable from the Savings and Loan Inspection Fund.....	3,193,000
Schedule:	
(a) 100000-Personal Services .....	3,184,000
(b) 300000-Operating Expenses and Equipment .....	970,000
(c) Reimbursements .....	—961,000
2600-001-042—For support of California Transportation Commission, payable from the State Highway Account, State Transportation Fund.....	116,000
2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund.....	937,000
Provisions:	
1. The commission shall work with the staff of the Auditor General, the Department of Transportation, the Senate Transportation Committee, and the Assembly Transportation Committee to develop a biennial State Transportation Improvement Program process and shall report to the Legislature by October 1, 1983.	



Item	Amount
2. The commission shall report to the Legislature on the impact on the 1983 Transit Capital Improvement Priority List projects resulting from any changes in the total level of funding identified in the priority listing. This report shall be made no later than August 30, 1983, and prior to any allocations of such funds.	
2660-001-041—For support of Department of Transportation, payable from the Aeronautics Account, State Transportation Fund .....	1,789,000
Schedule:	
(a) 10-Aeronautics .....	1,812,000
(b) Amount payable from Federal Trust Fund (Item 2660-001-890) ..	—23,000
2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund.....	627,404,400
Schedule:	
(a) 20-Highway Transportation.....	627,300,400
20.10-Rehabilitation.. (43,619,000)	
20.20-Operational Improvements .....	(53,641,000)
20.30-Local Assistance.. (6,484,000)	
20.40-Program Development.....	(3,285,000)
20.50-New Facilities.. (57,845,000)	
20.60-Administration (78,950,000)	
20.70-Operations.....	(42,037,000)
20.80-Maintenance.... (341,647,000)	
(1) 20-Total Highway Transportation	726,225,000
(2) Reimbursements .....	—8,586,600
(3) Amount payable from Federal Trust Fund (Item 2660-001-890) ..	—90,134,000
(4) Amount payable from the Bicycle Lane Account (Item 2660-001-045)	—9,000
(5) Amount payable from the Motor Vehicle Account (Item 2660-001-044) .....	—195,000
(b) 30-Mass Transportation .....	104,000
Provisions:	
1. For Program 20—Highways, up to 10 percent of any of the amounts scheduled within the program as appropriated from the State Highway Account, State Transportation Fund, Item 2660-001-042, may be transferred to Item 2660-101-042 or Item 2660-301-042 as authorized under the provisions of Section 168 of the Streets and Highways Code.	

Item	Amount
2. Funds appropriated by this item, Program 20 shall be available for support of those projects which have been included in a State Transportation Improvement Plan adopted by the California Transportation Commission.	
3. For Program 20—Highways, the department shall, upon request of any affected city, contract with that city to provide services within the Route 105 right-of-way within the city.	
2660-001-044—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Motor Vehicle Account, State Transportation Fund.....	195,000
Provisions:	
1. The Liquid Fuels Conservation Sub-Element of the Energy Resources Conservation and Development Commission shall be transferred to the Department of Transportation, Transportation Laboratory, on July 1, 1983. It is the intent of the Legislature that existing contracts and grants shall also be transferred, as well as four positions and existing personnel.	
2660-001-045—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Bicycle Lane Account, State Transportation Fund.....	9,000
2660-001-046—For support of Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund .....	25,784,000
Schedule:	
(a) 30-Mass Transportation .....	20,302,000
(1) 30-Total Mass Transportation .....	90,316,000
(2) Reimbursements .....	—46,026,000
(3) Reimbursements-Section 7204.4 of the Revenue and Taxation Code .....	—364,000
(4) Amount payable from Federal Trust Fund (Item 2660-001-890) .....	—23,539,000
(5) Amount payable from the Abandoned Railroad Account (Item 7660-001-047) .....	—85,000

Item	Amount
(b) 40-Transportation Planning .....	5,482,000
(1) 40-Total Transportation Planning.....	7,428,000
(2) Reimbursements ..	1,946,000
Provisions:	
1. \$13,409,000 of the funds appropriated in this item for Program 30—Mass Transportation shall be allocated by the California Transportation Commission pursuant to Section 99316 of the Public Utilities Code.	
2. \$217,000 and four personnel-years funded by this item for Program 30—Mass Transportation for Union Station management and operation shall be expended only if the department assumes control of the operation of Union Station. For each month of the fiscal year in which the department does not control operation of Union Station, \$27,125 shall revert to the unappropriated surplus of the Transportation and Development Account in the State Transportation Fund.	
2660-001-047—For support of Department of Transportation, for transfer to Item 2660-001-046, payable from the Abandoned Railroad Account, State Transportation Fund .....	85,000
2660-001-178—Notwithstanding the provisions of Section 42050 of the Vehicle Code and subdivision (b) of Section 41304 of the Education Code, the sum of \$4,000,000 is appropriated from the Driver Training Penalty Assessment Fund to the Motor Vehicle Account in the State Transportation Fund .....	(4,000,000)
2660-001-890—For support of Department of Transportation, payable from the Federal Trust Fund .....	113,696,000
Schedule:	
(a) 10-Aeronautics for transfer to Item 2660-001-041 .....	23,000
(b) 20-Highway Transportation for transfer to Item 2660-001-042 .....	90,134,000
20.10-Rehabilitation.. (21,475,000)	
20.20-Operational Improvements .....	(19,440,000)
20.40-Program Development.....	(10,510,000)
20.50-New Facilities..	(38,709,000)
(c) 30-Mass Transportation for transfer to Item 2660-001-046.....	23,539,000

Item	Amount
Provisions:	
1. For Program 20—Highways, up to 10 percent of any of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 2660-001-890, may be transferred to Item 2660-101-890 or Item 2660-301-890 as authorized under the provisions of Section 168 of the Streets and Highways Code.	
2. Funds appropriated in this item, Program 20 shall be available for support of those projects which have been included in a State Transportation Improvement Plan adopted by the California Transportation Commission.	
3. Any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.	
2660-006-046—For support of Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund, for the 1983–84 fiscal year operation of the Los Angeles/Sacramento intercity "Spirit of California" rail passenger service .....	5,216,000
Schedule:	
(a) 30-Mass Transportation .....	5,216,000
Provisions:	
1. For Program 30-Mass Transportation, \$4,685,000 appropriated by this item shall be allocated by the California Transportation Commission pursuant to Section 99316 of the Public Utilities Code.	
2660-007-046—For support of Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund .....	285,000
Provisions:	
1. The funds appropriated in this item are to be used for the purpose of an agreement with the Legislative Analyst's office to administer and fund a contract with an independent consultant to evaluate the Department of Transportation's capability to deliver capital outlay projects programmed in the 1983 State Transportation Improvement Program.	
2660-011-041—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund (041), to the Transportation Planning and Development Account, State Transportation Fund (046), as prescribed by Section 21682.5 of the Public Utilities Code .....	(30,000)

Item	Amount
2660-021-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund (042), to the Transportation Planning and Development Account, State Transportation Fund (046) as prescribed by Section 194 of the Streets and Highways Code .....	(8,010,000)
2660-021-046—The amount of \$300,000 is hereby transferred from the Transportation Planning and Development Account in the State Transportation Fund to the General Fund pursuant to the provisions of subdivision (b) of Section 7 of Chapter 844 of the Statutes of 1981 .....	(300,000)
2660-021-890—For transfer by the State Controller from the Federal Trust Fund (890), to the Transportation Planning and Development Account, State Transportation Fund (046), as prescribed by Section 194 of the Streets and Highways Code .....	(4,000,000)
2660-031-042—(a) There is hereby appropriated, from the reserve account established pursuant to subdivision (b) of Section 71 of Chapter 161 of the Statutes of 1979 in the State Highway Account in the State Transportation Fund, to the State Highway Account, for expenditure by the Department of Transportation, an amount sufficient to fund the appropriations to the Department of Transportation made by this act. It is the intent of the Legislature that all available revenues in the State Highway Account, including the reserve account, be used for the specific purposes authorized and in the order of receipt (first available—first used). (b) There is hereby appropriated, on June 30, 1984, to the reserve account established pursuant to subdivision (b) of Section 71 of Chapter 161 of the Statutes of 1979 in the State Highway Account, all money in or due to the State Highway Account on the date which is not appropriated as of that date, to be available for expenditure only upon appropriation in the Budget Act.	
2660-101-041—For local assistance, Department of Transportation, Program 10, Aeronautics, payable from the Aeronautics Account, State Transportation Fund.....	1,000,000
2660-101-042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund .....	89,909,000
Schedule:	
(a) 20-Highway Transportation.....	29,200,000
20.30-Local Assistance.....	(29,200,000)

Item	Amount
(1) Total Highway Transportation .....	309,892,000
(2) Amount payable from Federal Trust Fund (Item 2660-101-890) .....	— 280,100,000
(3) Amount payable from Bicycle Lane Account (Item 2660-101-045) .....	— 592,000
(b) 30-Mass Transportation .....	60,709,000
Provisions:	
1. For Program 20—Highways, up to 10 percent of any amounts scheduled within Item 2660-101-042 may be transferred to Item 2660-001-042 or Item 2660-301-042 as authorized under the provisions of Section 168 of the Streets and Highways Code.	
4. For Program 30—Mass Transportation, Article XIX, Transit Guideways—The amount allocated in the 1983–84 fiscal year by the California Transportation Commission for final design or the construction of transportation facilities or the acquisition of related rights-of-way shall be available for expenditure or reallocation by the California Transportation Commission during the 1983–84, 1984–85, and 1985–86 fiscal years.	
5. For Program 20—Highway Transportation—\$15,000,000 of this appropriation is provided for railroad grade separation projects. The department shall, to the extent possible, use federal funds to fund railroad grade separation projects. Whenever projects are financed with federal funds, a corresponding amount in this item shall revert to the unappropriated surplus of the State Highway Account in the State Transportation Fund.	
2660-101-045—For local assistance, Department of Transportation, for transfer to Item 2660-101-042, payable from the Bicycle Lane Account, State Transportation Fund .....	592,000
2660-101-046—For local assistance, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund .....	42,189,000
Schedule:	
(a) 30-Mass Transportation .....	40,157,000
(1) 30-Total Mass Transportation .....	40,357,000

Item	Amount
(2) Amount payable from Federal Trust Fund (Item 2660-101-890) .....	-200,000
(b) 40-Transportation Planning .....	2,032,000
(1) 40-Total Transportation Planning.....	6,032,000
(2) Amount payable from Federal Trust Fund (Item 2660-101-890) .....	-4,000,000
Provisions:	
1. For Program 30—Mass Transportation, transit capital improvements, the amount allocated in the 1983-84 fiscal year by the California Transportation Commission for final design, the construction of transportation facilities, or the acquisition of related right-of-way or of rolling stock shall be available for expenditure or reallocation by the California Transportation Commission during the 1983-84, 1984-85, and 1985-86 fiscal years.	
2660-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund .....	284,300,000
Schedule:	
(a) 20-Highway Transportation for transfer to Item 2660-101-042 .....	280,100,000
20.30-Local Assistance.....	(280,100,000)
(b) 30-Mass Transportation, for transfer to Item 2660-101-046.....	200,000
(c) 40-Transportation Planning for transfer to Item 2660-101-046 .....	4,000,000
Provisions:	
1. For Program 20—Highways, up to 10 percent of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 2660-101-890, may be transferred to Item 2660-001-890 or Item 2660-301-890 as authorized pursuant to Section 168 of the Streets and Highways Code.	
2. Any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.	

## Item

## Amount

3. For Program 20—Highway Transportation, \$12,000,000 of this appropriation is provided for railroad grade separation projects. The department shall, to the extent possible, use federal funds to fund railroad grade separation projects. The California Transportation Commission may allocate Federal Minimum Allocation Funds, as defined in Section 157 of Title 23 of the United States Code, for grade separation projects funded pursuant to Chapter 10 of Division 3 (commencing with Section 2450) of the Streets and Highways Code, and the amount described in subdivision (g) of Section 2454 of the Streets and Highways Code is increased to \$5,500,000. Notwithstanding Section 2454 of the Streets and Highways Code, when these federal funds are used in the allocation for a project, the contribution of the local agency shall be computed as if the allocation were made with state funds.

2660-301-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 182,110,000

## Schedule:

- (a) 20-Highway Transportation..... 182,110,000  
     20.10-Rehabilitation..... (54,000,000)  
     20.20-Operational Improvements (36,880,000)  
     20.50-New Facilities..... (91,030,000)  
     20.70-Operations..... (200,000)  
     (1) 20-Total Highway  
         Transportation .. 874,660,000  
     (2) Reimbursements — 55,000,000  
     (3) Amount payable  
         from the Federal  
         Trust Fund (Item  
         2660-301-890) ..... — 637,550,000

## Provisions:

1. For Program 20—Highways, up to 10 percent of the amounts within Item 2660-301-042 may be transferred to Item 2660-101-042 or Item 2660-001-042 of this act as authorized under the provisions of Section 168 of the Streets and Highways Code.
2. Funds appropriated by Item 2660-301-042 shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Plan adopted by the commission.



Item	Amount
2660-301-046—For capital outlay, Department of Transportation, payable from the Transportation Planning and Development Account State Transportation Fund .....	100,000
(a) 30-Mass Transportation .....	58,950,000
(b) Reimbursements .....	—58,850,000
Provisions:	
1. If a feasibility study conducted by the Department of Transportation, in cooperation with the California Transportation Commission, demonstrates the viability of a passenger train station in the City of Corcoran or its immediate proximity, up to \$100,000 shall be expended in fiscal year 1983–84 for the establishment of such a station.	
2660-301-047—For capital outlay, Department of Transportation, Program 30-Mass Transportation, payable from the Abandoned Railroad Account, State Transportation Fund .....	5,211,000
2660-301-890—For capital outlay, Department of Transportation, payable from the Federal Trust Fund ..	637,550,000
Schedule:	
(a) 20-Highway Transportation for transfer to Item 2660-301-042 .....	637,550,000
20.10-Rehabilitation .....	(157,390,000)
20.20-Operational Improvements .....	(83,660,000)
20.50-New Facilities.....	(396,500,000)
Provisions:	
1. For Program 20—Highways. Up to 10 percent of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 2660-301-890, may be transferred to Item 2660-101-890 or Item 2660-001-890 as authorized pursuant to Section 168 of the Streets and Highways Code.	
2. Funds appropriated by Item 2660-301-890 shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Plan adopted by the commission.	
3. Any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.	

Item	Amount
<p><b>2660-490</b>—Reappropriation, Department of Transportation. Notwithstanding any other provisions of law, the unencumbered balances, or the portion thereof as specified in this item, on the effective date of this act, of the appropriation provided in the following citations, are reappropriated for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1984, except that this reappropriation shall not be effective if funds were transferred from Item 2660-301-042 of the Budget Act of 1982 to Item 2660-001-042 (a) 20.80 Maintenance, of the Budget Act of 1982.</p>	
<p><b>042</b>—State Highway Account, State Transportation Fund:</p>	
<p>(1) Item 2660-001-042 (a) 20.80 Maintenance, Budget Act of 1982.</p>	
<p><b>2660-491</b>—Notwithstanding any other provisions of law, and in accordance with subdivision (c), Section 16304 of the Government Code, the unliquidated encumbrances of prior year Local Assistance appropriations from the State Highway Account, State Transportation Fund are reappropriated without regard to fiscal year, to enable continuing liquidation of these encumbrances, and to allow project savings to be available for other local assistance highway projects previously funded from the same appropriation.</p>	
<p><b>2660-492</b>—Notwithstanding any other provisions of law, the unencumbered balance of the Capital Outlay appropriations provided in the following citations shall revert, on the effective date of this act, to the unappropriated surplus of the fund from which the appropriation was made. The unliquidated encumbrances plus whatever portion thereof is specified in this item are continued for expenditure until June 30, 1984. The funds continued for expenditure from the capital outlay appropriations in the following citations shall be available for allocation by the California Transportation Commission to any project whether or not included in an adopted State Transportation Improvement Program:</p>	
<p><b>042</b>—State Highway Account, State Transportation Fund</p>	
<p>(1) Item 160.1, Budget Act of 1977—\$200,000</p>	
<p>(2) Item 447, Budget Act of 1978—\$200,000</p>	
<p>(3) Item 453, Budget Act of 1979—\$200,000</p>	
<p>(4) Item 513, Budget Act of 1980—\$500,000</p>	

Item	Amount
2660-493—Reappropriation, Department of Transportation. Notwithstanding any other provisions of law, the unliquidated balances, or the portion thereof as specified in this item, on the effective date of this act, of the appropriation provided in the following citations, are reappropriated for the purposes provided for in such appropriations and shall be available for expenditure until June 30, 1984:	
042—State Highway Account, State Transportation Fund:	
(1) Item 182, local assistance, Budget Act of 1980.	
046—Transportation Planning and Development Account, State Transportation Fund:	
(1) Item 182.1, local assistance, Budget Act of 1980.	
2660-495—Reversion, Department of Transportation. As of June 30, 1983, the unencumbered balance of the appropriations provided in the following citation, or the portions thereof as specified in this item, shall revert to the unappropriated surplus of the fund from which the appropriation was made.	
140—California Environmental License Plate Fund	
(1) Item 2660-301-140, Budget Act of 1982—\$100,000.	
2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund .....	215,000
Schedule:	
(a) State Operations .....	5,088,000
(b) Reimbursements .....	— 63,000
(c) Amount payable from the First Offender Program Evaluation Fund (Item 2700-001-464) .....	— 110,000
(d) Amount payable from the Federal Trust Fund (Item 2700-001-890) ..	— 4,700,000
2700-001-464—For support of Office of Traffic Safety, to be transferred to Item 2700-001-044, payable from the First Offender Program Evaluation Fund.....	110,000
2700-001-890—For support of Office of Traffic Safety, to be transferred to Item 2700-001-044, payable from the Federal Trust Fund, not subject to the provisions of Section 28 .....	4,700,000
2700-101-890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund, not subject to the provisions of Section 28 .....	4,700,000
2720-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund .....	329,302,650

Item	Amount
Schedule:	
(a) 10-Traffic Management .....	295,524,500
(b) 20-Regulation and Inspection.....	23,667,000
(c) 30-Vehicle Ownership Security ....	6,483,000
(d) 40.01-Administration—undistribut- ed.....	66,666,000
(e) 40.02-Administration—distributed —	66,666,000
(f) Reimbursements.....	—3,871,850
(g) Salary increase-undistributed .....	7,500,000
Provisions:	
1. None of the \$951,000 requested for increased microwave installation needs shall be expended until the Department of General Services can certify to the Director of Finance that DGS (1) has increased reimbursements to reflect increased expenditures for CHP microwave installations, and (2) can provide additional microwave installation to the CHP on a timely and effective basis. Any unencumbered balance of this amount shall not be encumbered for any other purpose, and shall revert to the Motor Vehicle Account in the State Transportation Fund.	
2. Of the amount appropriated by this item, \$270,000 may only be expended for rent for the Newhall, Stockton, and West Los Angeles offices that are proposed to be purchased in 1983-84. If actual leasing costs are less than \$270,000, any unencumbered balance shall not be encumbered for any other purpose and shall revert to the Motor Vehicle Account, State Transportation Fund.	
3. None of the \$1,000,000 provided as part of a gasoline reserve shall be expended unless and until authorized in writing by the Director of Finance.	
4. Of the amount appropriated by this item, \$7,500,000 shall be used for the purpose of complying with the provisions of Section 19827 of the Government Code. None of these funds shall be expended for compensation increases for those positions subject to the provisions of the State Employer-Employee Relations Act.	
2720-001-050—For support of Department of the California Highway Patrol, Program 10—Traffic Management, payable from the California Highway Patrol Law Enforcement Account, State Transportation Fund .....	20,446,000

Item	Amount
2720-001-890—For support of Department of the California Highway Patrol, Program 10—Traffic Management, payable from the Federal Trust Fund ..	472,000
2720-011-044—For payments of deficiencies in appropriations for the Department of the California Highway Patrol which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund .....	(2,000,000)
Provisions:	
1. The Director of Finance shall report allocations from this item in the same manner as required for reporting allocations from Item 9840-001-494 of this act.	
2720-021-044—For Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed \$5,000,000 during the 1983-84 fiscal year, for delivery beginning in the 1984-85 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund .....	(5,000,000)
2720-301-044—For Capital Outlay, Department of California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund .....	5,111,000
Schedule:	
(b) 50.10.025-Purchase of leased facility—Newhall .....	593,000
(c) 50.10.027-Purchase of leased facility—West Los Angeles .....	1,879,000
(d) 50.10.029-Purchase of leased facility—Stockton .....	384,000
(e) 50.10.031-Preliminary plans—Oakland .....	59,000
(f) 50.10.021-Property Options and Appraisals—Various Areas.....	27,000
(g) 50.20-Minor Projects .....	350,000
(h) 50.10.033-Construct area facility—Santa Rosa .....	1,135,000
(i) 50.10.035-Purchase of leased facility—Crescent City.....	306,000
(j) 50.10.037-Purchase of leased facility—Humboldt .....	378,000
Provisions:	
1. The funds appropriated in Schedule (f) shall be used only in connection with projects which are to be included in the budget submitted by the Governor for the 1984-85 fiscal year.	

Item	Amount
2. \$20,700 of the amount appropriated for the Santa Rosa area facility for a solar-assisted water heating system shall not be expended unless an energy analysis of the proposed installation shows the system to be cost-beneficial over the expected life of the system.	
2720-490—Reappropriation, California Highway Patrol. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 1984: 044—Motor Vehicle Account, State Transportation Fund.	
(1) Item 2720-301-044 (i), Budget Act of 1982—Site acquisition and preliminary plans—Golden Gate Division Communications Center and Division Office.	
2720-495—Reversion, California Highway Patrol. As of June 30, 1983, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made. 044—Motor Vehicle Account, State Transportation Fund.	
(1) Item 2720-301-044 (h), Budget Act of 1982—Purchase Leased Facility—Madera.	
(2) Item 2720-301-044 (hx), Budget Act of 1982—Purchase Leased Facility—Crescent City.	
(3) Item 2720-301-044 (hxx), Budget Act of 1982—Purchase Leased Facility—Humboldt.	
2740-001-001—For support of Department of Motor Vehicles, Program 21—Driver Licensing and Control, and Personal Identification ..... Provisions:	40,000
1. The funds appropriated from this item are for anatomical donor designation program and petit jury panel selection.	
2740-001-044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund ..... Schedule:	168,017,000
(a) 11-Vehicle and Vessel Registration and Titling .....	

70,456,000

## Item

## Amount

(1) 11—Total Vehicle and Vessel Registration and Titling	76,959,000
(2) Reimbursements ..	—6,503,000
(b) 21—Driver Licensing and Control, and Personal Identification .....	82,291,000
(1) 21—Total—Driver Licensing and Control and Personal Identification .....	93,053,000
(2) Reimbursements ..	—10,762,000
(c) 31—Occupational Licensing and Regulation .....	15,270,000
(1) 31—Total—Occupational Licensing and Regulation .....	15,278,000
(2) Reimbursements ..	—8,000
(d) 41.01—Administration .....	17,276,000
(e) 41.02—Distributed Administration ..	—17,276,000

## Provisions:

1. The department shall create a rental reserve of \$369,568 for lease-purchase facilities and those projects which remain tentative in nature. If actual leasing costs are lower than reserves provided in this item, any unencumbered balance shall not be encumbered for any other purpose and shall revert to the Motor Vehicle Account, State Transportation Fund.
2. The Director of Finance shall place in a reserve \$1,076,000 appropriated in schedule (a) and \$1,012,000 appropriated in schedule (b) and shall not authorize the expenditure of these funds any sooner than January 15, 1984. No authorization shall be effective any sooner than 30 days after the Department of Finance notifies the Chairperson of the Joint Legislative Budget Committee of the intent of the Department of Finance to give the authorization.

The Department of Motor Vehicles shall make available 1983–84 workload data to the Director of Finance prior to authorization of expenditures from this reserve. Any funds in the reserve which are not authorized by the Director of Finance by February 1, 1984, shall revert to the unappropriated surplus of the Motor Vehicle Account in the State Transportation Fund.

Item	Amount
<b>2740-001-064</b> —For support of Department of Motor Vehicles, Program 11—Vehicle and Vessel Registration and Titling, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund Provisions:	62,246,000
1. The funds appropriated from this item are as provided by Section 11003 of the Revenue and Taxation Code.	
<b>2740-001-378</b> —For support of Department of Motor Vehicles, Program 11—Vehicle and Vessel Registration and Titling, payable from the State Bicycle License and Registration Fund .....	28,000
Provisions:	
1. The funds appropriated from this item are as provided by Section 39001 of the Vehicle Code.	
<b>2740-001-516</b> —For support of Department of Motor Vehicles, Program 11—Vehicle and Vessel Registration and Titling, payable from the Harbors and Watercraft Revolving Fund .....	2,476,000
Provisions:	
1. The funds appropriated from this item are for undocumented vessel registration and fee collection.	
<b>2740-011-044</b> —For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund.....	(1,000,000)
Provisions:	
1. The Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 9840-001-494 of this act.	
<b>2740-301-044</b> —For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund .....	7,188,000
Schedule:	
(a) 70.31.009-Construction—San Jose..	1,335,000
(b) 70.31.010-Construction—Los Angeles (Hope St.) .....	3,231,000
(c) 70.31.019-Construction—El Cajon	1,702,000
(d) 70.11.025-Purchase—Visalia.....	850,000
(e) 70.71-Minor Projects .....	70,000



Item	Amount
2740-490—Reappropriation, Department of Motor Vehicles. Notwithstanding any other provisions of law, the unencumbered balances, or the portions thereof as specified in this item, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1984:	
044—Motor Vehicle Account, State Transportation Fund	
(1) Item 2740-001-044, category (a), Budget Act of 1982. For facility lease costs, not to exceed \$226,000.	
2760-001-178—For support of Traffic Adjudication Board, Program 10, payable from the Driver Training Penalty Assessment Fund .....	1,838,000
Schedule:	
(a) 10-Program Administration.....	1,989,000
(b) Reimbursements .....	— 151,000
2780-001-683—For support of Stephen P. Teale Data Center, Business, Transportation and Housing Agency, payable from the Stephen P. Teale Data Center Revolving Fund.....	37,392,000
Provisions:	
1. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Stephen P. Teale Data Center.	

## RESOURCES

3110-001-001—To the Resources Agency, Special Resources Programs, Program 30—Sea Grant Program, for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966. Provisions:	
1. The amount appropriated in this item is in lieu of any amount which would otherwise be received pursuant to Section 6217 of the Public Resources Code.	
3110-001-140—To the Resources Agency, Special Resources Programs, Program 70—California Tahoe Regional Planning Agency Deactivation, payable from the California Environmental License Plate Fund .....	400,000

Item	Amount
Provisions:	
1. The funds appropriated by this item are for Attorney General legal fees, administrative costs, and workload expenses relating to the deactivation of the California Tahoe Regional Planning Agency.	
2. If the deactivation is delayed beyond July 1, 1983, up to \$10,000 of the \$149,000 appropriated by this item for administrative costs of deactivation shall be allocated by the Resources Agency to the California Tahoe Regional Planning Agency (CTRPA) for each month the CTRPA remains active to be used to (a) monitor compliance with permits previously issued by CTRPA and (b) administer surety deposits on these permits. Any funds remaining unexpended after the effective date of deactivation shall be available for expenditure by the Secretary of the Resources Agency in conformance with the provisions of Section 67132 of the Government Code.	
3110-101-140—For local assistance, Special Resources Programs, Program 10 Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund.....	300,000
Provisions:	
1. An amount not to exceed \$12,000 of this item shall be used to compensate California members of the Tahoe Regional Planning Agency appointed pursuant to the provisions of paragraph (B), subdivision (1), Section (a), Article III of the Tahoe Regional Planning Compact (Sec. 2, Chapter 872, Statutes of 1980), for actual and necessary expenses in connection with the performance of their official duties.	
3110-490—Reappropriation, Special Resources Programs. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided for in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1984.	
140—California Environmental License Plate Fund	
(1) Chapter 833, Statutes of 1980.	

Item	Amount
3300-001-021—For loans to the State Assistance Fund for Energy, California Business and Industrial Development Corporation to be disbursed by the State Controller pursuant to Sections 32820 through 32823 of the Financial Code, payable from the State Energy Loan Fund Account, General Fund .....	1,142,000
3310-001-731—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund .....	158,000
3340-001-001—For support of California Conservation Corps .....	20,674,000
Schedule:	
(a) 10.10-Orientation and Training Center .....	2,626,000
(b) 10.20-Base and Fire Centers .....	25,818,000
(c) 10.30-Energy Program .....	373,000
(d) 20.01-Program Support .....	3,287,000
(e) 20.02-Distributed Program Support .....	—3,287,000
(f) Reimbursements .....	—8,143,000
Provisions:	
1. \$136,000 budgeted for automation may be expended no sooner than 30 days after the Department of Finance has provided the Joint Legislative Budget Committee with a feasibility report in support of further automation. The feasibility report shall have been approved by the Department of Finance and prepared in accordance with Sections 4921 to 4928, inclusive, of the State Administrative Manual.	
3340-001-140—For support of California Conservation Corps, Program 10.20—Base and Fire Centers, payable from the California Environmental License Plate Fund .....	946,000
3340-001-465—For support of California Conservation Corps, payable from the Energy Resources Programs Account, General Fund .....	2,699,000
Schedule:	
(a) 10.20-Base and Fire Centers .....	739,000
(b) 10.30-Energy Program .....	1,960,000
Provisions:	
1. \$100,000 of the amount appropriated in schedule	
(a) for administrative costs of Petroleum Escrow Account moneys may not be encumbered until funding for implementation of the weatherization program with money from the Petroleum Violation Escrow Account is assured.	

Item	Amount
3340-011-140—For support of California Conservation Corps, Program 10.20—Base and Fire Centers, payable from the California Environmental License Plate Fund.....	6,000,000
3360-001-033—For support of State Energy Resources Conservation and Development Commission, payable from the State Energy Conservation and Assistance Account, General Fund .....	6,056,000
Schedule:	
(a) For administrative costs of the streetlight conversion and schools and hospitals loan programs, to be transferred to Item 3360-001-465 ..	56,000
(b) For the streetlight conversion program .....	2,000,000
(c) For the schools and hospitals program .....	4,000,000
3360-001-044—For support of State Energy Resources Conservation and Development Commission, to be transferred to Item 3360-001-465, payable from the Motor Vehicle Account, State Transportation Fund .....	94,000
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund .....	19,906,000
Schedule:	
(a) 100000-Personal Services .....	14,233,000
(b) 300000-Operating Expenses and Equipment .....	6,676,000
(bx) Transition costs resulting from program reductions.....	1,000,000
(c) Amount payable from the Energy Conservation Assistance Account (Item 3360-001-033).....	-56,000
(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044) ..	-94,000
(e) Amount payable from the Federal Trust Fund (Item 3360-001-890) ..	-1,853,000
Provisions:	
1. The Controller shall not allow the commission to spend any federal funds in excess of the amount appropriated by Item 3360-001-890 unless one of the following conditions is met:	
(a) The expenditure of the additional federal funds will result in an equivalent reduction in the expenditure of the state funds.	
(b) The Director of Finance certifies to the	

## Item

## Amount

chairpersons of the Joint Legislative Budget Committee and the fiscal committee of each house that (1) the additional federal funds can be used only to augment state funds or (2) the commission was unaware of the availability of the additional federal funds during the consideration of the 1983-84 budget by the Legislature.

2. \$1,000,000 of the amount appropriated by this item and scheduled in category (bx) shall be available to the commission only by allocation from the Director of Finance and only for the purpose of paying the salaries and benefits of employees in positions which are eliminated in the 1983-84 budget until the layoff process can be completed or the positions otherwise become vacant. The commission and the Department of Finance shall make every effort to complete required staff reductions at the commission as quickly as possible and to minimize excess staff costs. The Director of Finance shall report any allocation made from these funds, the reason for the allocation, and the steps which have been taken to reduce commission staff, to the Chairperson of the fiscal committee in each house and of the Joint Legislative Budget Committee at the time any allocation is made.

3360-001-890—For support of State Energy Resources Conservation and Development Commission, payable from the Federal Trust Fund ..... 10,764,000

Schedule:

- (a) For support of the State Energy Resources Conservation and Development Commission, to be transferred to Item 3360-001-465 .. 1,853,000
- (b) For grants and loans for energy efficiency retrofit of schools, hospitals, and public buildings..... 3,511,000
- (c) For the streetlight conversion program ..... 2,000,000
- (d) For traffic signal synchronization ..... 1,400,000
- (e) For weatherization of rental property ..... 1,000,000
- (f) For assisting with private investment in local government energy projects..... 1,000,000

## Item

## Amount

## Provisions:

1. Funds appropriated by this item, except for category (a), are to be made available from "designated petroleum violation escrow funds" as defined in Section 155 of the Further Continuing Appropriations Act, 1983 (PL 97-377; 96 Stat. 1830, 1919), and are to be used in accordance with the provisions of that act.
2. Of the amount appropriated by category (a), \$150,000 is from the Petroleum Violation Escrow Fund and shall be expended pursuant to the State Energy Conservation Program for a contract with a management and/or research firm to evaluate the energy savings and impacts of State Energy Conservation programs, as compared to the energy savings and impacts of other energy conservation programs.
3. Funds appropriated for category (e) are for a pilot program to encourage third-party financing for multifamily rental housing weatherization.
4. Funds appropriated for category (f) are for assistance to local governments to arrange third-party financing of alternative energy and energy conservation projects relating to local public facilities.
5. The amount appropriated for category (d) shall be transferred to the Department of Transportation unless the United States Department of Energy, in regulations controlling the expenditure of Petroleum Violation Escrow Funds, prohibits the transfer.
6. The Department of Transportation shall administer the traffic signal synchronization project specified in category (d).

3360-011-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund, for a demonstration biomass to methanol gasification conservation project .....

4,500,000

## Schedule:

- |   |           |
|---|-----------|
| (a) Feasibility demonstration .....       | 500,000   |
| (b) Commercialization demonstration ..... | 4,000,000 |

Item	Amount
Provisions:	
1. Of the amount provided in this item, up to \$500,000 may be awarded through a competitive application process to demonstrate the feasibility of converting biomass to methanol using high-temperature-fluid-wall-reactor technology.	
2. If, in the opinion of the commission, a commercial-scale application of the conversion technology demonstrated above is determined to be feasible, up to \$4,000,000 shall be made available for a commercial-scale project.	
3. If a commercial-scale project is approved by the commission, the amount awarded for the initial demonstration provided for in this item and the amount awarded for commercialization provided by this item, combined, shall be deemed a loan to be repaid at the interest rate of the Pooled Money Investment Fund over a term to be determined by the commission, but not to exceed 10 years.	
3360-101-034—For local assistance, State Energy Resources Conservation and Development Commission, pursuant to the provisions of Public Resources Code Section 3822, payable from the Geothermal Resources Development Account, General Fund	824,000
3380-001-001—For support of California Waste Management Board .....	3,708,000
Schedule:	
(a) 100000-Personal Services .....	2,697,000
(b) 300000-Operating Expenses and Equipment .....	1,094,000
(c) Reimbursements .....	—83,000
Provisions:	
1. The two reports on gas migration required by Section 66786.7 of the Government Code shall be submitted to the Legislature on or before January 1, 1985, rather than on or before January 1, 1984, as specified in that section. A progress report shall be submitted to the Legislature by March 31, 1984.	
2. Expenditures from this item for expansion of the board's used oil program shall not exceed \$57,000, or the amount of revenue that the board estimates will be deposited in the General Fund during the 1983-84 fiscal year from used oil registration fees, whichever is less.	
3380-011-140—For support of the California Waste Management Board, payable from the California Environmental License Plate Fund .....	500,000

Item	Amount
Provisions:	
1. Funds appropriated in this item shall be used only by the California Waste Management Task Force established within the board for the preparation of a comprehensive plan and implementation schedule for nonhazardous waste disposal in California and shall be available for expenditure during the 1983-84 and 1984-85 fiscal years.	
3380-490—Reappropriation, California Waste Management Board. Notwithstanding any other provision of law, the unencumbered balance, on the effective date of this act, of the appropriations provided for in the following citations are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1984.	
140—Environmental License Plate Fund:	
(1) Chapter 1019, Statutes of 1981	
3400-001-001—For support of State Air Resources Board Schedule:	3,576,000
(a) 100000—Personal Services .....	19,947,000
(b) 300000—Operating Expenses and Equipment .....	29,115,000
(c) Reimbursements .....	—620,000
(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-001-044) ..	—25,484,000
(e) Amount payable from the Air Pollution Control Fund (Item 3400-001-115) .....	—1,896,000
(f) Amount payable from the Automotive Repair Fund (Item 3400-001-128) .....	—1,082,000
(h) Amount payable from the Vehicle Inspection Fund (Item 3400-001-420) .....	—13,879,000
(i) Amount payable from the Energy Resources Programs Account, General Fund (Item 3400-001-465) ..	—152,000
(j) Amount payable from the Federal Trust Fund (Item 3400-001-890) ..	—2,373,000
3400-001-044—For support of State Air Resources Board, to be transferred to Item 3400-001-001, payable from the Motor Vehicle Account, State Transportation Fund.....	25,484,000
3400-001-115—For support of State Air Resources Board, to be transferred to Item 3400-001-001, payable from the Air Pollution Control Fund .....	1,896,000



Item	Amount
3400-001-128—For support of State Air Resources Board, to be transferred to Item 3400-001-001, payable from the Automotive Repair Fund .....	1,082,000
3400-001-420—For support of State Air Resources Board, to be transferred to Item 3400-001-001, payable from the Vehicle Inspection Fund .....	13,879,000
Provisions:	
1. Funds appropriated in this item are for the purposes of Chapter 20.4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code.	
3400-001-465—For support of State Air Resources Board, to be transferred to Item 3400-001-001, payable from the Energy Resources Programs Account, General Fund .....	152,000
3400-001-890—For support of State Air Resources Board, to be transferred to Item 3400-001-001, payable from the Federal Trust Fund .....	2,373,000
3400-011-001—For support of environmental protection activities conducted pursuant to Section 39511 of the Health and Safety Code by the Chairperson of the Air Resources Board .....	38,000
Schedule:	
(a) Support.....	350,000
(b) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-011-044) ..	— 22,000
(c) Amount payable from Item 0555-001-001 .....	— 187,000
(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0555-001-044) ..	— 103,000
3400-011-044—For support of environmental protection activities, the Chairperson of the Air Resources Board, to be transferred to Item 3400-011-001, payable from the Motor Vehicle Account, State Transportation Fund .....	22,000
3400-101-044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund .....	6,609,000
Provisions:	
1. The assistance to counties shall be in accordance with Chapter 5 (commencing with Section 39800) of Part 2 of Division 26 of the Health and Safety Code.	
3460-001-001—For support of Colorado River Board of California .....	177,000

Item	Amount
Schedule:	
(a) 100000—Personal Services .....	445,000
(b) 300000—Operating Expenses and Equipment .....	126,000
(c) Reimbursements .....	— 386,000
(d) Amount payable from the California Environmental License Plate Fund (Item 3460-001-140) .....	— 8,000
3460-001-140—For support of Colorado River Board, to be transferred to Item 3460-001-001, payable from the California Environmental License Plate Fund Provisions:	8,000
1. The funds appropriated by this item are for the Salinity Control Forum.	
3480-001-001—For support of Department of Conservation .....	10,062,000
Schedule:	
(a) 10—Geologic Hazards and Mineral Resources Conservation .....	5,186,000
(b) 20—Oil, Gas, and Geothermal Protection .....	5,800,000
(c) 30—Special Services for Resources Protection .....	591,000
(d) 40.01—Administration .....	2,185,000
(e) 40.02—Distributed Administration .....	— 2,185,000
(f) Reimbursements.....	— 1,515,000
3480-001-035—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the Surface Mining and Reclamation Account, General Fund Provisions:	1,177,000
1. Any unexpended balance of funds appropriated to the Surface Mining and Reclamation Account in the General Fund pursuant to Chapter 800, Statutes of 1980, shall be made available in the 1983-84 fiscal year for any salary and staff benefit increases which may be appropriated by the Legislature.	
2. Any salary and staff benefit increases which apply to the Surface Mining and Reclamation Act shall be paid from the Surface Mining and Reclamation Account in the General Fund.	
3480-001-042—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the State Highway Account, State Transportation Fund .....	12,000

Item	Amount
Provisions:	
1. The funds appropriated by this item are for the State's share of the California Institute of Technology seismograph network.	
3480-001-140—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the California Environmental License Plate Fund .....	352,000
Provisions:	
1. The funds appropriated by this item are for volcanic hazard monitoring at Mammoth Lakes and statewide pro rata.	
3480-001-144—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the California Water Fund .....	12,000
Provisions:	
1. The funds appropriated by this item are for the State's share of the California Institute of Technology seismograph network.	
3480-001-190—For support of Department of Conservation, payable from the Resources Account, Energy and Resources Fund .....	608,000
Schedule:	
(a) 10—Geologic Hazards and Mineral Resources Conservation .....	108,000
(b) 30—Special Services for Resources Protection .....	500,000
Provisions:	
1. The funds appropriated by this item are for farmland mapping and monitoring and a geologic and seismic investigation in the California-Mexico international border region.	
3480-001-398—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the Strong-Motion Instrumentation Program Fund .....	1,601,000
Provisions:	
1. The funds appropriated by this item are to be used in carrying out the functions of the Strong-Motion Instrumentation Program.	
3480-001-465—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the Energy Resources Programs Account, General Fund .....	112,000
3480-001-890—For support of Department of Conservation, Program 10—Geologic Hazards and Mineral Resources Conservation, payable from the Federal Trust Fund .....	195,000

Item	Amount
3540-001-001—For support of Department of Forestry	125,545,000

## Schedule:

(a) 10.10-Fire Protection, State Responsibility.....	122,722,000
(b) 10.20-Fire Protection, Local Government Contracts .....	32,804,000
(c) 10.30-Resource Management .....	8,369,000
(d) 20.01-Administration.....	10,283,000
(e) 20.02-Distributed Administration..	10,283,000
(f) Reimbursements.....	38,738,000
(g) Special Adjustment—Cost-of-Living Increase .....	388,000

## Provisions:

1. An amount not more than \$100,000 in emergency fire suppression and detection costs and related emergency revegetation costs may be expended from the amounts appropriated for Schedule (a) without approval of the Department of Finance.
2. Of the funds appropriated in Schedule (a), \$5,000,000 is for allocation by the Director of Finance.
3. An amount not to exceed \$350,000 of the amount appropriated in Schedule (a) for equipment shall be used to pay the costs of converting one S-2 airtanker for the air attack fleet.
4. No funds appropriated to the Department of Forestry by this or any other act shall be used to provide assistance in planning or carrying out prescribed burning projects conducted on U.S. Forest Service or Bureau of Land Management lands unless those agencies agree, in writing, to indemnify the state for all suppression costs incurred in the event the fire escapes.
5. The Department of Forestry shall advise the federal government that the cost of all emergency fire suppression assistance provided to the U.S. Forest Service or Bureau of Land Management is due and payable within 60 days following submittal of the invoice by the state. Any such costs remaining unpaid after 60 days and paid from a deficiency appropriation shall become a loan by the Director of Finance to the Department of Forestry subject to penalty interest charges at the same rate as that paid on surplus money deposits in the Pooled Money Investment Fund.

Item	Amount
6. Of the funds appropriated by this item for contract fire protection services provided by the U.S. Forest Service (USFS), \$474,000 shall not be encumbered until the Director of Forestry certifies to the Controller that payment has been received from the USFS for at least (1) \$281,000 in accounts receivable remaining from the 1980 Lakeland, Turner, and Indian Fires, and (2) \$193,000 in 1982 emergency fire suppression costs incurred by the state from the escape of the East Ridge prescribed burn on the Shasta-Trinity National Forest, or a lesser amount based on actual costs.	
7. Notwithstanding any other provision of law, including Section 4132 of the Public Resources Code, the funds appropriated pursuant to Schedule (g) shall be used for cost-of-living increases for contracted fire protection, and shall be in lieu of any amount which would otherwise be provided.	
3540-001-140—For support of Department of Forestry, Program 10.30—Resource Management, payable from the California Environmental License Plate Fund .....	2,745,000
Provisions:	
1. The funds appropriated by this item are for timber harvest plan review, vegetation management, and pro rata.	
3540-001-190—For support of Department of Forestry, Program 10.30—Resource Management, payable from the Resources Account, Energy and Resources Fund.....	2,341,000
Provisions:	
1. The funds appropriated by this item are for vegetation management, Dutch Elm Disease, and pro rata.	
3540-001-300—For support of Department of Forestry, Program 10.30—Resource Management, payable from the Professional Forester Registration Fund .....	85,000
Provisions:	
1. The funds appropriated by this item are for carrying out the function of forester registration.	
3540-001-890—For support of Department of Forestry, payable from the Federal Trust Fund.....	2,467,000
Schedule:	
(a) 10.10-Fire Protection, State Responsibility.....	1,912,000
(b) 10.30-Resource Management .....	555,000

Item	Amount
3540-001-928—For support of Department of Forestry, Program 10.30—Resource Management, payable from the Forest Resources Improvement Fund ....	3,533,000
Provisions:	
1. Of the amount appropriated by this item, \$375,000 shall be available for expenditure only for the Urban Forestry Program.	
3540-001-940—For support of Department of Forestry, Program 10.30—Resource Management, payable from the Renewable Resources Investment Fund	662,000
Provisions:	
1. The funds appropriated by this item are for watershed mapping, soil erosion studies, and timber harvest plan review.	
3540-001-965—For support of Department of Forestry, Program 10.30—Resource Management, payable from the Timber Tax Fund .....	19,000
3540-011-928—For transfer to the General Fund, in accordance with subdivision (a) of Section 4799.13 of the Public Resources Code, for the costs of operation of the State forests for the period July 1, 1983 through June 30, 1984, payable from the Forest Resources Improvement Fund .....	(1,248,000)
3540-301-036—For capital outlay, Department of Forestry, Program 30—Capital Outlay, payable from the Special Account for Capital Outlay .....	1,507,000
Schedule:	
(b) 30.20.010 Region II Headquarters—preliminary plans, working drawings, and construction.....	1,264,000
(e) 30.30.020 Columbia AAB—construct loading area .....	243,000
Provisions:	
1. Notwithstanding any other provisions of law, the funds appropriated for category (b) of this item may be used for the Department of Forestry's portion of a joint federal-state project to be designed and constructed through the services of the U.S. Forest Service; however, an agreement for these services shall be entered into between the federal agency and the Department of Forestry prior to the allocation of working drawing funds; and this project shall be subject to Section 15790.5 of the Government Code, and any augmentation of these funds shall be subject to existing law.	

## Item

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2. The funds appropriated for category (b) of this item shall be available for working drawings and construction of the Region II Headquarters if and only if by August 1, 1983, the Department of Forestry has received written certification from the federal government indicating that funds are available for the federally funded project to be constructed in conjunction with the Headquarters Building. If the written certification is not received by August 1, 1983, \$1,047,000 of the funds appropriated for category (b) shall be available for construction of a new forest fire station at Redding; \$50,000 shall be available for working drawings for the Region II Headquarters Building; and \$167,000 shall be reverted to the unappropriated surplus of the Special Account for Capital Outlay.

## 3540-490—Reappropriation, Department of Forestry.

Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations are hereby reappropriated for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1984:

## 140—California Environmental License Plate Fund

(1) Item 3540-001-140, Budget Act of 1982.

## Provisions:

1. This reappropriation shall not exceed \$50,000, and shall be limited to providing corrective work resulting from violations of the Forest Practice Act.

## 3560-001-001—For support of State Lands Commission

8,617,000

## Schedule:

(a) 100000-Personal Services .....	8,917,000
(b) 300000-Operating Expenses and Equipment .....	3,422,000
(c) Reimbursements .....	—3,722,000

## Provisions:

1. General Fund reimbursements of \$2,899,000 are payable under the provisions of Chapter 138, Statutes of 1964 (First Extraordinary Session).

Item	Amount
<ol style="list-style-type: none"> <li>2. No funds budgeted from reimbursements shall be expended for new positions or related costs, nor shall any new positions be authorized, for the purpose of administration and review and analysis of Environmental Impact Reports for oil and gas development, until reimbursement to the General Fund is assured by contract, joint powers agreement, memorandum of understanding or similar instrument.</li> <li>3. \$250,000 of the amount appropriated by this item shall be expended only for the appraisal, management, and administration of producing oil and gas properties to be transferred to the state by the federal government in lieu of lands withheld by the federal government from the state school lands grant. The commission shall not expend any of these funds unless the Department of the Interior has agreed in principle to transfer such lands to the state, and funds shall be expended for appraisal activities only if the commission determines that an appraisal is necessary to properly select such parcels of land and to protect the state's interest. No funds shall be expended for management and administration until such lands have been transferred to the state.</li> </ol>	
3580-001-001—For support of Seismic Safety Commission, Program 10—Seismic Safety .....	809,371
Provisions:	
<ol style="list-style-type: none"> <li>1. \$300,000 of the amount appropriated in this item for the support of the Southern California Preparedness Project shall be made available only upon receipt of \$500,000 in federal funds.</li> </ol>	
3580-001-140—For support of Seismic Safety Commission, Program 10—Seismic Safety, payable from the California Environmental License Plate Fund .....	270,000
3580-001-890—For support of Seismic Safety Commission, Program 10—Seismic Safety, payable from the Federal Trust Fund .....	500,000
3600-001-001—For support of Department of Fish and Game, to be transferred to Item 3600-001-200.....	3,548,000
Provisions:	
<ol style="list-style-type: none"> <li>1. The funds appropriated in this item are solely for the support of existing programs devoted to nongame species management and protection, environmental protection, the Suisun Resources Conservation District, and fish studies on wild and scenic rivers.</li> </ol>	



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3600-001-140—For support of Department of Fish and Game, to be transferred to Item 3600-001-200, payable from the California Environmental License Plate Fund..... 3,730,000

## Provisions:

1. \$42,000 of the amount appropriated in this item shall be:

- (a) Available only for the rental of a helicopter, purchase of field equipment, and laboratory expenses in connection with research concerning the causes of mortality of desert bighorn lambs and may be encumbered by the department pursuant to a memorandum of understanding with any nonprofit organization authorized by the Fish and Game Commission pursuant to Section 4700 of the Fish and Game Code to perform that research.
- (b) Encumbered on a matching fund basis such that one dollar (\$1) of these funds shall be encumbered for every two dollars (\$2) raised from non-state sources during 1983 by the nonprofit organization that has entered into the memorandum of understanding with the department. The department may perform such audits as are necessary to carry out the provisions of this paragraph. The department may establish a schedule for disbursing these funds in installments in a way that will complement the fundraising efforts of the nonprofit organization.
- (c) The contract entered into pursuant to these provisions shall require that at least one-half of the personal services furnished by the nonprofit organization shall be provided by volunteers.

3600-001-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund..... 48,937,000

## Schedule:

- (a) 100000-Personal Services ..... 43,092,000
- (b) 300000-Operating Expenses and Equipment ..... 31,006,000
- (c) Special Items of Expense ..... 151,000
- (d) Reimbursements ..... -5,935,000
- (e) Amount payable from the General Fund (Item 3600-001-001) ..... -3,548,000

Item	Amount
(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) .....	—3,730,000
(g) Amount payable from the Federal Trust Fund (Item 3600-001-890) .....	—10,201,000
(h) Amount payable from the Renewable Resources Investment Fund (Item 3600-001-940) .....	—1,898,000
Provisions:	
1. The amount appropriated by this item may be increased with the approval of and under the conditions set by the Department of Finance to meet current obligations proposed to be funded by categories (d) and (g) of this item. This increased authorization may not be used to expand services or create new obligations.	
Reimbursements received under categories (d) and (g) of this item shall be used in repayment of any funds utilized to meet current obligations pursuant to this provision.	
2. Notwithstanding Sections 711 and 712 of the Fish and Game Code, \$125,000 of the amount appropriated by this item shall be utilized for support of the Sea Otter Research Project because a benefit of this study will be information applicable to the protection of the abalone and clam fisheries.	
3. Of the funds appropriated by this item, an amount not to exceed \$458,000, shall be available only for increased Attorney General legal charges during the 1983–84 fiscal year.	
4. The contracts with private aquaculture firms for propagation of 100,000 additional striped bass funded by the \$250,000 appropriated by this item shall be competitively bid.	
5. The expenditure of the \$141,500 appropriated by this item for (1) increased salmon production at the Mokelumne River and Iron Gate hatcheries and (2) operation of the squawfish trap at the Red Bluff diversion dam, shall be contingent on completion of \$218,000 in capital outlay projects at these facilities.	
6. Of the amount appropriated by this item, \$150,000 shall be allocated by the Department of Finance for the project planning of the pilot marsh management study at the Kern National Wildlife Refuge upon submittal of a written agreement by the affected federal, state, and local	

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entities outlining the project scope, construction and study timeframe and funding sources and responsibilities relating to this program. It is the intent of the Legislature that the \$150,000 not be construed as a commitment or requirement for additional state funds to continue or complete the project.

7. Of the amount appropriated by this item, \$55,000 shall be encumbered by the Department of Fish and Game for the removal and disposal of logs and other debris on Don Pedro Reservoir and upstream therefrom on the main stem of the Tuolumne River, subject to the following conditions:

- (a) That Tuolumne River Expeditions, Inc., a California corporation, contribute not less than \$25,000 for this purpose.
- (b) That the Don Pedro Recreation Agency agrees to encumber not less than \$55,000 for this purpose.
- (c) That all funds provided pursuant to this paragraph shall be expended on prorata basis.
- (d) That the services of the California Conservation Corps be utilized in the accomplishment of this work, if this participation is deemed appropriate by the Director of the Corps.

It is the intent of the Legislature that the necessary contract or contracts be implemented immediately.

3600-001-890—For support of Department of Fish and Game, to be transferred to Item 3600-001-200, payable from the Federal Trust Fund .....	10,201,000
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3600-001-940—For support of Department of Fish and Game, to be transferred to Item 3600-001-200, payable from the Renewable Resources Investment Fund .....	1,898,000
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3600-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund.....	1,182,000
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Schedule:

- (a) 90.36.010 Hot Creek Hatchery-additional working drawings for modernization ..... 27,000
- (b) 90.42.040 Mojave River Hatchery-construct water sterilization system ..... 185,000
- (c) 90.90.020 Project planning..... 40,000

Item	Amount
(d) 90.95.100 Minor Capital outlay.....	734,000
(f) 90.55.030.02 Nimbus Fish Hatchery —working drawings and construc- tion of settling ponds .....	196,000
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund Schedule:	509,000
(a) 100000-Personal Services .....	348,000
(b) 300000-Operating Expenses and Equipment .....	161,000
Provisions:	
1. In the event that Federal Land and Water Con- servation Funds are received in reimbursement for administrative costs associated with bond projects, an amount equal thereto from the Wildlife Restoration Fund shall not be utilized for support of the Wildlife Conservation Board.	
3640-301-140—Capital outlay, Wildlife Conservation Board, payable from the California Environmental License Plate Fund.....	1,200,000
Schedule:	
(a) Land acquisition-rare and endan- gered species .....	500,000
(b) Pier construction-Santa Monica Pier, City of Santa Monica .....	700,000
Provisions:	
1. The funds in category (a) are provided in ac- cordance with the provisions of the Wildlife Conservation Law of 1947.	
2. The funds in category (b) shall be allocated by the Wildlife Conservation Board and shall not be subject to Public Works Board review.	
3640-301-447—For capital outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund, in accordance with the provisions of the Wildlife Conservation Law of 1947 .....	3,943,000
Schedule:	
(a) Project planning .....	15,000
(b) Land acquisitions .....	1,310,000
(c) Development projects .....	1,103,000
(e) Pier development projects .....	1,515,000
(1) Malibu Pier .....	368,000
(2) Pismo Beach Pier, City of Pismo Beach .....	500,000
(3) Santa Monica Pier, City of Santa Mon- ica .....	323,500

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- (4) Oceanside Pier,  
City of Oceanside 323,500

## Provisions:

1. Notwithstanding the provisions of Section 2 of this act, funds appropriated in category (a) shall be available for expenditure only during the 1983-84 fiscal year.
2. If the Department of Finance receives a request from the Wildlife Conservation Board to augment the amount approved in categories (a) to (c), inclusive within the schedule of this item by transfer from one or more of those categories within such schedule, no such transfer shall be approved any sooner than 30 days after the Department of Finance notifies the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of the Department's intent to approve the transfer, or not sooner than such lesser time as may be specified by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.
3. Any savings which remain following completion of any individual project in category (e) may be transferred to any other project in category (e) where additional funds are required to complete the project.

3640-490—Reappropriation, Wildlife Conservation Board. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations are reappropriated for the purposes provided for in such appropriations and shall be available for expenditure until June 30, 1984:

742—State, Urban, and Coastal Park Fund

- (1) Item 510(a), Budget Act of 1978—Coastal wetlands, acquisition; provided, these funds may also be used for development.
- (2) Item 510(c), Budget Act of 1978—Interior wetlands and riparian habitat, acquisition; provided, these funds may also be used for development.

3680-001-001—For support of Department of Boating and Waterways, to be transferred to Item 3680-001-516 .....

258,000

3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund .....

3,012,000

Item	Amount
Schedule:	
(a) 100000-Personal Services .....	2,049,000
(b) 300000-Operating Expenses and Equipment .....	1,066,000
(c) Aquatic Plant Control .....	150,000
(d) Feasibility Determinations .....	20,000
(e) Reimbursements .....	-15,000
(f) Amount payable from the General Fund (Item 3680-001-001) .....	-258,000
3680-101-190—For Local Assistance, Department of Boating and Waterways, for beach erosion control projects, payable from the Resources Account, En- ergy and Resources Fund .....	2,259,000
Schedule:	
(b) Surfside-Sunset Beach Project— Orange County .....	1,289,000
(c) Buhne Point Project—Humboldt County .....	495,000
(d) Bolinas Beach Project—Marin County .....	475,000
Provisions:	
1. None of the funds appropriated in category (d) of this item for the Bolinas Beach Erosion Con- trol Project shall be encumbered by the Depart- ment of Boating and Waterways unless and until the department receives a legally binding com- mitment from a local public agency to provide for at least 25 percent of the costs of the project.	
3680-101-516—For local assistance, Department of Boat- ing and Waterways, payable from the Harbors and Watercraft Revolving Fund .....	20,529,000
Schedule:	
(a) Launching facility grants.....	4,077,000
(1) Alameda.....	125,000
(2) Basso Bridge .....	75,000
(3) Big Bear Lake, East .....	470,000
(4) Butte City .....	200,000
(5) Cachuma Lake ....	400,000
(6) Dos Reis .....	100,000
(7) Elizabeth Lake....	244,000
(8) Floating Rest- rooms .....	150,000
(9) Hartley Lake.....	143,000
(10) Hirz Bay.....	320,000
(11) Ice House Reser- voir .....	70,000
(12) Lake Alpine .....	133,000
(13) Lake Piru.....	472,000

## Item

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(14) Ramp Repairs.....	100,000	
(15) Salton City.....	80,000	
(16) Skinner Lake .....	400,000	
(17) Miller Park .....	160,000	
(18) Tower Park Ma- rina .....	400,000	
(19) Union Valley.....	35,000	
(b) Loans: Local Government .....	13,297,000	
(1) Oyster Point Ma- rina .....	497,000	
(2) Planning.....	100,000	
(3) Santa Cruz Harbor	700,000	
(4) South Beach, San Francisco .....	4,500,000	
(5) Spud Point, Bode- ga Bay.....	1,400,000	
(6) West Channel, Ca- brillo Beach.....	4,000,000	
(7) Emergency Loans	100,000	
(8) City of Monterey..	1,000,000	
(9) City of Santa Bar- bara .....	1,000,000	
(c) Boating safety and enforcement ..	3,155,000	

## Provisions:

1. The funds appropriated in category (a) are for grants to cities, counties, districts, or other public agencies pursuant to Sections 72.5 and 72.7 of the Harbors and Navigation Code to be used for construction and development of small craft launching facilities and floating restrooms.
2. The funds appropriated in category (b) are for loans to be made to cities, counties, or districts pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, Department of Boating and Waterways.
3. The funds appropriated in category (b) (7) are for allocation by the Director of Finance to provide for repairs, authorized by the Director of Finance, of damage at small craft harbor facilities constructed pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, caused by emergency conditions, including but not limited to tidal waves or severe storms, and for payment of deficiencies in appropriations for the Department of Boating and Waterways which may be authorized by the Director of Finance.

Item	Amount
4. The funds appropriated in category (c) are for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.	
3680-301-516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund .....	509,000
Schedule:	
(a) Project Planning .....	20,000
(b) Minor projects .....	489,000

**NEJEDLY-HART STATE, URBAN, AND COASTAL PARK  
BOND ACT PROGRAM**

3680-301-742—For capital outlay, Department of Boating and Waterways, payable from the State, Urban and Coastal Park Fund .....	465,000
Schedule:	
(b) Minor projects .....	465,000
Provisions:	
1. The projects appropriated from this item are for the purposes set forth in paragraph (3) of subdivision (e) of Section 5096.124 of the Public Resources Code.	
2. Upon receipt of any reimbursements applicable to any of the projects specified in this item from the federal land and water conservation funds, such reimbursements shall be deposited in the 1976 State, Urban, and Coastal Park Fund to the credit of the Department of Boating and Waterways.	
3680-490—Reappropriation, Department of Boating and Waterways. Notwithstanding any other provision of law, the unencumbered balances, on the effective date of this act, of the appropriations provided for in the following citations are reappropriated for the purposes provided for therein and shall be available for expenditure until June 30, 1984.	
516—Harbors and Watercraft Revolving Fund	
(1) Item 525(a) Budget Act of 1980, Gianelli Bridge.	
3720-001-001—For support of California Coastal Commission .....	6,312,000
Schedule:	
(a) 100000-Personal Services .....	5,384,000
(b) 300000-Operating Expenses and Equipment .....	2,053,000
(c) Reimbursements .....	-40,000



## Item

## Amount

- (d) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140) ..... —272,000
- (e) Amount payable from the Federal Trust Fund (Item 3720-001-890) .. —813,000

## Provisions:

1. The commission shall, to the extent legally possible, utilize categorical exclusions, permit exemptions, and administrative permits authorized by Division 20 (commencing with Section 30000) of the Public Resources Code to reduce the commission's regulatory workload and to achieve overall cost savings to the state.
2. The commission shall, to the extent resources are available, undertake efforts to expedite the transfer to local governments of coastal development permit authority pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code by providing training and any other assistance it deems appropriate to assist local governments in the assumption of this coastal permit responsibility.

3720-001-140—For support of California Coastal Commission, to be transferred to Item 3720-001-001, payable from the California Environmental License Plate Fund.....

272,000

## Schedule:

- (a) Coastal access projects ..... 192,000
- (b) Coastal Resource Information Center/Guide to Coastal Resources ..... 80,000

## Provisions:

1. The commission shall endeavor to secure federal funds to support the establishment of the Coastal Resource Information Center and the publication of the Guide to Coastal Resources. If federal funds become available, the commission shall utilize these funds prior to expending the funds appropriated in schedule (b). Not more than \$80,000 from all sources shall be expended in 1983-84 for the establishment of the Coastal Resource Information Center and the publication of the Guide to Coastal Resources.

3720-001-890—For support of California Coastal Commission, to be transferred to Item 3720-001-001, payable from the Federal Trust Fund.....

813,000

## Provision:

Item	Amount
1. Federal Coastal Energy Impact Program funds for local assistance grants shall be expended in accordance with federal law.	
2. If, for any reason, all or any portion of the funds appropriated by this item are not made available to the commission to carry out its responsibilities, General Fund support under Item 3720-001-001 shall be increased by an amount equal to the federal funds which are not made available to the commission. The amount of this increase shall not exceed \$754,000.	
3720-101-001—For local assistance, California Coastal Commission.....	280,000
Provisions:	
1. The funds appropriated are for coastal planning assistance as provided in Section 16 of Chapter 1330 of the Statutes of 1976, as amended by Section 28 of Chapter 1331 of the Statutes of 1976.	
3760-001-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund .....	425,000

#### PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

3760-001-721—For support of State Coastal Conservancy, pursuant to category (2) of subdivision (c) of, and subdivision (d) of, Section 5096.151 of the Public Resources Code, payable from the Parklands Fund of 1980 .....	1,365,000
Schedule:	
(a) 100000 Personal Services .....	1,174,000
(b) 300000 Operating Expenses and Equipment .....	441,000
(c) Preproject feasibility planning .....	200,000
(d) Reimbursements .....	—25,000
(e) Amount payable from the State Coastal Conservancy Fund (Item 3760-001-565) .....	—425,000
3760-490—Reappropriations, State Coastal Conservancy. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1984:	
565—State Coastal Conservancy	

Item

Amount

- (1) Item 520.1, Budget Act of 1978. For capital outlay, for the purposes set forth in subdivisions (a), (b), (c), (d), and (e) of Section 5096.125 of the Public Resources Code.

Provisions:

1. Expenditures of funds for local assistance grants and grants to nonprofit organizations are exempt from State Public Works Board review.
2. No funds may be encumbered unless and until each project and the plan therefor is approved by the State Coastal Conservancy and, if required, is reviewed, approved, or certified by the California Coastal Commission, pursuant to Section 31152, 31206, 31208, 31213, 31255, 31258, or 31263, or any combination thereof, of the Public Resources Code.
3. Upon the receipt of any federal reimbursement applicable to any of the projects specified, such reimbursement is hereby appropriated for expenditure by the State Coastal Conservancy for the types of projects specified in this item.
4. Priority shall be given to implementation of a program to restore public recreational facilities in major urban areas and to provide and restore low- and moderate-income recreational opportunities, especially recreational piers and wharves, pursuant to Sections 31300 to 31311, inclusive, of the Public Resources Code, with a high priority given to restorations of those piers severely damaged during the 1982-83 winter storms.

#### 721—Parklands Fund

- (1) Item 376-101-721, Budget Act of 1981. For local assistance, pursuant to category (2) of subdivision (c) of Section 5096.151 of the Public Resources Code.

Provisions:

1. The funds appropriated in this item shall be used for grants to counties, cities and districts for the acquisition, development, rehabilitation, or restoration of real property, or the acquisition of any interest in real property, necessary for the implemen-

Item

Amount

tation of local coastal programs. for the implementation of projects in San Francisco Bay, as defined in subdivisions (a) and (b) of Section 31006, of the Public Resources Code.

- (2) Item 376-301-721, Budget Act of 1981. For capital outlay, pursuant to category (2) of subdivision (c) of, and subdivision (d) of, Section 5096.151 of the Public Resources Code, payable from the Parklands Fund of 1980.

Provisions:

1. Of the funds appropriated in Item 376-301-721, Budget Act of 1981, an amount not to exceed \$1,000,000 is available for implementation of projects in the coastal zone of the Santa Monica Mountains Zone, as described in Section 33105 of the Public Resources Code.
2. Of the funds appropriated in Item 376-301-721, Budget Act of 1981, an amount not to exceed \$500,000 is available to implement a public access program at the Hollister Ranch in Santa Barbara County pursuant to Sections 30610.3 and 30610.8 of the Public Resources Code. Notwithstanding the provisions of subdivision (d) of Section 30610.8 of the Public Resources Code, all in-lieu fees received pursuant to Section 30610.8 of the Public Resources Code shall be credited as a reimbursement to the reappropriation made by this category.
3. The expenditures of funds for local assistance grants and grants to nonprofit organizations are exempt from State Public Works Board review.
4. No funds may be encumbered unless and until each project and the plan therefor is approved by the State Coastal Conservancy, and, if required, is reviewed, approved, or certified by the California Coastal Commission, pursuant to Section 31152, 31206, 31208, 31213, 31255, 31258, or 31263, or any combination thereof, of the Public Resources Code.

Item

Amount

5. Upon the receipt of any federal reimbursement applicable to any of the projects specified, such reimbursement is hereby appropriated for expenditure by the State Coastal Conservancy for the types of projects specified in this item.
6. Priority shall be given to implementation of a program to restore public recreational facilities in major urban areas and to provide and restore low- and moderate-income recreational opportunities, especially recreational piers and wharves, pursuant to Sections 31300 to 31311, inclusive, of the Public Resources Code, with a high priority given to restorations of those piers severely damaged during the 1982-83 winter storms.
- (3) Item 3760-101-721, Budget Act of 1982. For local assistance, pursuant to category (2) of subdivision (c) of Section 5096.151 of the Public Resources Code.

## Provisions:

1. The funds appropriated in this item shall be used for grants to counties, cities and districts for the acquisition, development, rehabilitation, or restoration of real property, or the acquisition of any interest in real property, necessary for the implementation of local coastal programs; for the implementation of projects in San Francisco Bay, as defined in subdivisions (a) and (b) of Section 31006, of the Public Resources Code.

3790-001-001—For support of Department of Parks and Recreation .....	54,181,000
Schedule:	
(a) 100000-Personal Services .....	70,444,000
(b) 300000-Operating Expenses and Equipment .....	29,682,000
(c) Reimbursements .....	-7,818,000
(d) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263) .....	-3,638,000
(e) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392) .....	-32,267,000
(f) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516) .....	-359,000

Item	Amount
(g) Amount payable from the Federal Trust Fund (Item 3790-001-890) . . . . .	— 1,863,000
Provisions:	
1. Contracts for outside legal services related to land acquisition projects are exempt from approval by the Attorney General. The fees for those services shall not exceed the amount of fees normally charged by the Attorney General.	
2. Of the \$700,000 appropriated in this item for the State Capitol interpretive program, \$400,000 shall be used for support of the Capitol and Capitol tour guide program in cooperation with the Joint Rules Committee.	
3790-001-263—For support of Department of Parks and Recreation, to be transferred to Item 3790-001-001, payable from the Off-Highway Vehicle Fund .....	3,638,000
3790-001-392—For support of Department of Parks and Recreation, to be transferred to Item 3790-001-001, payable from the State Parks and Recreation Fund	32,267,000
Provisions:	
1. Notwithstanding Section 5010 of the Public Resources Code, or subdivision (d) of Section 663.7 of the Harbors and Navigation Code, all revenues received by the Department of Parks and Recreation during the 1983–84 fiscal year, other than revenues received in connection with the State Vehicular Recreation Area and Trail System, shall be deposited in the State Treasury to the credit of the State Parks and Recreation Fund.	
For the purposes of this item, revenues received by the department shall include all revenues received from properties transferred to the department pursuant to subdivision (a) of Section 15862.5 of the Government Code and all fees collected at state park units from the use of boats or boating facilities.	
3790-001-516—For support of Department of Parks and Recreation, to be transferred to Item 3790-001-001, payable from the Harbors and Watercraft Revolving Fund .....	359,000
Provisions:	
1. The funds appropriated in this item are pursuant to subdivision (d) of Section 663.7 of the Harbors and Navigation Code, Harbors and Watercraft Revolving Fund.	
3790-001-890—For support of Department of Parks and Recreation, to be transferred to Item 3790-001-001, payable from the Federal Trust Fund.....	1,863,000

Item	Amount
3790-011-062—For transfer by the State Controller from the Highways Users Tax Account in the Transportation Tax Fund to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code for the support of the Department of Parks and Recreation, for expenditure by the department for maintenance and repair of highways in units of the State park systems; payable from the Highway Users Tax Account, Transportation Tax Fund.....	(1,500,000)
3790-101-140—For local assistance, Department of Parks and Recreation, payable from the California Environmental License Plate Fund .....	823,000
Schedule:	
(1) City and County of San Francisco, Golden Gate Park Integrated Pest Management.....	60,000
(2) County of Los Angeles, acquisition of historic Janes House by Hollywood Heritage, Inc. ....	225,000
(4) City of Sacramento, Sacramento History Center .....	275,000
(5) City of Danville, Baldwin School Park.....	263,000
3790-101-190—For local assistance, Department of Parks and Recreation, payable from the Resources Account, Energy and Resources Fund .....	5,500,000
(a) Roberti-Z'berg Urban Open-Space and Recreation Program ....	5,000,000
(b) Presley Urban Fishing Program Act.....	500,000
3790-101-263—For grants to cities, counties, or special districts, and for cooperative agreements with federal agencies, as defined in Division 5 (commencing with Section 5001) of the Public Resources Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund, to be available for expenditure during the 1983-84, 1984-85, and 1985-86 fiscal years.....	5,532,000
Schedule:	
(a) 50.30.066.002-County of Monterey, Laguna Seca .....	242,000
(b) 50.30.066.004-City of Ridgecrest, Ridgecrest Regional OHV Park....	452,000
(c) 50.30.066.006-County of Sacramento, Prairie City OHV Park Operation and Maintenance .....	125,000
(d) 50.30.066.008-County of Santa Clara, Motorcycle Park .....	75,000

Item	Amount
(e) 50.30.066.010-U.S. Bureau of Land Management, California Desert District .....	477,000
(f) 50.30.066.012-U.S. Bureau of Land Management, Ukiah District .....	1,075,000
(g) 50.30.066.014-Angeles National Forest .....	1,247,000
(h) 50.30.066.016-Cleveland National Forest .....	262,000
(i) 50.30.066.018-Klamath National Forest .....	31,000
(j) 50.30.066.020-Lake Tahoe Basin Management Unit .....	20,000
(k) 50.30.066.022-Lassen National Forest .....	157,000
(l) 50.30.066.024-Los Padres National Forest .....	92,000
(m) 50.30.066.026-Sequoia National Forest .....	287,000
(n) 50.30.066.028-Shasta-Trinity National Forest .....	15,000
(o) 50.30.066.030-Sierra National Forest .....	18,000
(p) 50.30.066.032-Stanislaus National Forest .....	142,000
(q) 50.30.066.034-Tahoe National Forest .....	815,000

#### PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

3790-101-721—For grants to counties, cities, and districts, as defined, in Section 5096.144, pursuant to subdivisions (a) and (e) of Section 5096.151, of the Public Resources Code, Department of Parks and Recreation, and for project review, payable from the Parklands Fund of 1980 .....

5,052,000

##### Schedule:

(a) Project review .....	169,000
(b) Project grants.....	4,883,000

##### Projects in Alameda County

(1) Dublin/San Ramon CSD, Valley Community Swim Center .....	1,000
(2) East Bay Regional Park District, Ardenwood .....	1,000



Item	Amount
(3) City of Oakland, Lakeside Park.....	200,000
(3.1) Hayward RPD, Ashland Commu- nity Center .....	36,000
Projects in Butte County	
(3.2) Feather River RPD, Municipal Auditorium .....	34,000
Projects in Contra Costa County	
(4) City of Antioch, Gentrytown Park..	1,000
(5) Dublin/San Ra- mon CSD, Olym- pic Pool .....	1,000
(6) City of Pinole, Pi- nole Parks .....	41,000
(6.1) East Bay RPD, Briones North .....	27,000
Projects in Del Norte County	
(6.2) County of Del Norte, Bertsch Tract Park .....	20,000
Projects in Fresno County	
(7) City of Fresno, Mosqueda Com- munity Center .....	1,000
(8) City of Reedley, Smith Ferry Park..	1,000
(9) West Parlier CSD, West Parlier Com- munity Park .....	20,000
(9.1) Caruthers CSD, Caruthers Com- munity Park .....	20,000
(9.2) City of Fresno, Rotary East Park ..	86,000
Projects in Humboldt County	
(10) City of Eureka, Sequoia Park and Zoo .....	1,000

## Item

## Amount

## Projects in Imperial County

- |   |        |
|---|--------|
| (11) Cities of Imperial<br>and Calipatria,<br>Two Cities Parks ..             | 1,000  |
| (12) Cities of Holtville<br>and Salton City<br>CSD, Two Cities<br>Parks ..... | 21,000 |

## Projects in Kern County

- |  |         |
|--|---------|
| (13) City of Bakers-<br>field, Amberton<br>Park.....     | 83,000  |
| (14) City of Bakers-<br>field, Corvallis<br>Park.....    | 160,000 |
| (15) City of Bakers-<br>field, Westworld....             | 118,000 |
| (16) County of Kern,<br>Kern County Local<br>Parks ..... | 1,000   |
| (17) County of Kern,<br>County Parks .....               | 1,000   |
| (18) County of Kern,<br>Various County<br>Parks .....    | 114,000 |

## Projects in Kings County

- |   |       |
|---|-------|
| (19) County of Kings,<br>Armona Commu-<br>nity Center ..... | 1,000 |
|---|-------|

## Projects in Los Angeles County

- |  |         |
|--|---------|
| (20) City of Arcadia,<br>Eisenhower and<br>Bonita Parks .....      | 1,000   |
| (21) City of Covina,<br>Royal Oaks Field ..                        | 1,000   |
| (22) City of El Monte,<br>Zamora Park .....                        | 109,000 |
| (23) City of Glendale,<br>Glendale Parks.....                      | 411,000 |
| (24) City of Hawaiian<br>Gardens, Recrea-<br>tion Facilities ..... | 32,000  |
| (25) City of Hidden<br>Hills, Recreation<br>Facilities.....        | 20,000  |

Item	Amount
(26) City of La Verne, Laverne Parks .....	1,000
(27) City of Lynwood, City Park .....	1,000
(28) City of Monterey Park, Carvey Ranch Park .....	1,000
(29) City of Pomona, Westmont Park ....	1,000
(30) City of South El Monte, Potrero Park.....	49,000
(31) City of South Gate, South Gate Recreation Facili- ties.....	1,000
(32) City of Walnut, Marlborough Park	37,000
(33) City of Whittier, Whittier Recrea- tion Facilities .....	1,000
(33.1) County of Los Angeles, Hart Park	171,000
(33.2) City of Vernon, Area Recreation Facilities.....	20,000
(33.3) City of Duarte, City Recreation Facilities.....	49,000
Projects in Marin County	
(34) County of Marin, McInnis Park and Trail.....	1,000
Projects in Merced County	
(35) City of Los Banos, Los Banos Sports Complex.....	1,000
(36) County of Merced, Lake Yo- osemite .....	192,000
Projects in Monterey County	
(37) Greenfield Park and Recreation District, Oak Park	20,000

Item	Amount
(38) County of Monterey, San Lorenzo Park.....	55,000
(39) City of Salinas, Rossi-Rico Neighborhood Park .....	1,000
Projects in Orange County	
(40) Capistrano Bay Recreation and Park District, Pines Park .....	38,000
(41) City of Garden Grove, Garden Grove Park .....	80,000
(42) City of Garden Grove, Parks Rehabilitation .....	70,000
(43) City of Garden Grove, Twin Lakes Freedom Park .....	115,000
(44) City of La Palma, Central Park .....	56,000
(45) City of Newport Beach, San Miguel Park.....	1,000
(46) City of Orange, Hart and Shaffer Parks .....	40,000
(47) City of Orange, City Parks Development .....	100,000
(48) City of Tustin, Tustin Recreation Facilities.....	1,000
(48.1) City of La Habra, San Miguel de Allende/Montwood Parks .....	43,000
(48.2) City of La Habra, Las Lomas Park.....	8,000
(48.3) City of La Habra, El Centro Park.....	35,000
(48.4) City of Seal Beach, Reserve Center Park .....	100,000

## Item

## Amount

(48.5) Silverado-Modjeska, RPD, Modjeska Community Park.....	20,000
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## Projects in Placer County

(48.6) City of Colfax, Colfax Recreation Facilities.....	20,000
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(48.7) County of Placer, Loomis Recreation Area....	21,000
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## Projects in Riverside County

(49) City of Riverside, Mockingbird Canyon.....	430,000
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## Projects in Sacramento County

(50) City of Galt, Galt Recreation Areas ..	20,000
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(51) County of Sacramento, Bates School Park .....	20,000
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(51.1) County of Sacramento, American River Parkway	200,000
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(51.2) North Highlands RPD, North Highlands Recreation Facilities .....	70,000
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## Projects in San Diego County

(52) City of Chula Vista, Rienstra Sports Complex ....	1,000
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(53) City of Coronado, Coronado Parks and Golf Course....	1,000
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## Projects in San Joaquin County

(54) City of Lodi, Salas Park.....	1,000
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(55) City of Tracy, Community Park..	1,000
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Item

Amount

Projects in San Luis Obispo  
County

(55.5) City of Morro  
Bay, Lila H. Keiser  
Park..... 33,000

Projects in San Mateo County

(56) Town of Ather-  
ton, Reading Park 1,000  
(57) City of Daly City,  
Bayshore Heights  
Park..... 1,000  
(58) Town of Hillsbor-  
ough, Hillsborough  
Recreation Facility 35,000  
(59) City of Redwood  
City, Hoover  
School Park ..... 1,000  
(60) City of San Car-  
los, Arguello Park 1,000  
(61) County of San  
Mateo, Woodside  
Historical Store .... 203,000

Projects in Santa Barbara County

(62) City of Carpen-  
teria, Santa Monica  
Creek Trail ..... 1,000  
(63) City of Santa Bar-  
bara, La Mesa Park 40,000  
(64) City of Santa Bar-  
bara, Skofield Park 40,000  
(65) City of Santa  
Maria, Atkinson  
Park..... 131,000  
(65.1) Cuyama Valley  
RD, Cuyama Val-  
ley Recreation  
Facilities..... 20,000

Projects in Santa Clara County

(66) City of Campbell,  
Campbell Histori-  
cal Museum..... 1,000  
(67) City of Gilroy,  
Wheeler Audito-  
rium ..... 1,000

## Item

## Amount

(68) City of Los Altos,  
Los Altos Recrea-  
tion Facilities ..... 25,000

## Projects in Santa Cruz County

(69) County of Santa  
Cruz, Prather  
Lane Community  
Park..... 1,000

## Projects in Shasta County

(70) City of Redding,  
Caldwell Park..... 1,000  
(70.1) County of  
Shasta, Balls Fer-  
ry/French Gulch  
Park..... 20,000

## Projects in Siskiyou County

(70.2) City of Weed  
RPD, Weed Parks 29,000

## Projects in Sonoma County

(71) City of Healds-  
berg, Healdsberg  
Recreation Facili-  
ties..... 1,000  
(72) City of Sonoma,  
Sassarini Park ..... 20,000  
(73) County of So-  
noma, Healdsberg  
Beach ..... 150,000  
(74) County of So-  
noma, Maxwell  
Farms ..... 200,000  
(75) County of So-  
noma, Southwest  
Community Park.. 46,000  
(75.1) County of So-  
noma, Maxwell  
Farms ..... 100,000

## Projects in Stanislaus County

(76) City of River-  
bank, Riverbank  
Park..... 20,000  
(77) City of Turlock,  
Tegner Recreation  
Site ..... 1,000

## Item

## Amount

## Projects in Tehama County

(78) City of Tehama,  
Tehama City Parks 20,000

(79) County of Tehama,  
Noland Park 1,000

## Projects in Tulare County

(80) City of Lindsay,  
City Pool ..... 36,000

## Projects in Ventura County

(81) Casitas MWD,  
Lake Casitas ..... 1,000

(82) City of Fillmore,  
Sespe Park..... 21,000

## Projects in Yolo County

(83) City of Winters,  
Winters Recreation  
Facility ..... 20,000

## Projects in Yuba County

(84) City of Wheatland,  
Wheatland  
City Park ..... 1,000

(85) County of Yuba,  
North Yuba Recreation  
Projects ..... 1,000

## Provisions:

1. Funds appropriated in category (b) of this item shall be available for acquisition, development, rehabilitation, or any combination thereof, and are available for expenditure during the 1983-84, 1984-85, and 1985-86 fiscal years.

**STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL  
FACILITIES BOND ACT OF 1974**

**3790-101-733**—For local assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974..... 96,000

(a) Project review ..... 96,000

**NEJEDLY-HART STATE, URBAN AND COASTAL PARK BOND  
ACT PROGRAM**

**3790-101-742**—For local assistance, Department of Parks and Recreation, payable from the State, Urban and Coastal Park Fund ..... 774,000



## Item

## Amount

## Schedule:

- |                          |         |
|--------------------------|---------|
| (a) Project review ..... | 192,000 |
| (b) Project grants.....  | 582,000 |

## Projects in Alameda County

- |  |       |
|--|-------|
| (1) City of Emeryville,<br>Emeryville Recreation<br>Facilities ..... | 1,000 |
|--|-------|

## Projects in Amador County

- |  |       |
|--|-------|
| (2) County of Amador,<br>Pioneer Community<br>Park ..... | 1,000 |
|--|-------|

## Projects in Del Norte County

- |  |       |
|--|-------|
| (3) County of Del<br>Norte, Pyke Field | 1,000 |
|--|-------|

## Projects in Fresno County

- |  |        |
|--|--------|
| (4.3) City of Fresno,<br>Rotary East Park .. | 25,000 |
|--|--------|

## Projects in Kern County

- |   |        |
|---|--------|
| (5) County of Kern,<br>Kern County Parks          | 42,000 |
| (6) City of Shafter,<br>Kirschenmann<br>Park..... | 22,000 |

## Projects in Los Angeles County

- |  |        |
|--|--------|
| (7) City of Hidden<br>Hills, Recreation<br>Facilities..... | 10,000 |
| (8) County of Los An-<br>geles, Venice<br>Beach .....      | 1,000  |
| (9) City of Vernon,<br>Area Recreation<br>Facilities.....  | 10,000 |
| (10) City of Walnut,<br>Butterfield Park ....              | 29,000 |

## Projects in Marin County

- |   |        |
|---|--------|
| (11) Marinwood CSD,<br>Marinwood Recreation<br>Facilities ..... | 13,000 |
|---|--------|

Item	Amount
Projects in Mariposa County	
(12) County of Mariposa, New District 5 Park .....	2,000
Projects in Modoc County	
(13) City of Alturas, Alturas Swimming Pool .....	10,000
Projects in Napa County	
(14) City of Napa, Fuller Park .....	28,000
Projects in Orange County	
(15) City of La Palma, Central Park .....	41,000
Projects in Placer County	
(16) Auburn Area Recreation and Park District, Meadow Vista Parks.....	19,000
Projects in Sacramento County	
(17) City of Sacramento, Multi- Parks Develop- ment .....	143,000
(18) Elk Grove Recreation and Park Dis- trict, Mendoza Park.....	1,000
Projects in San Benito County	
(18.5) County of San Benito, County Parks .....	45,000
Projects in San Mateo County	
(19) City of Half Moon Bay, Cassinelli Community Park..	24,000
(20) Town of Hillsborough, Hillsborough Recreation Facili- ties .....	34,000

## Item

## Amount

## Projects in Santa Clara County

(21) City of Monte  
Sereno, Recreation  
Facilities..... 10,000

(22) Rancho Rin-  
conada Recreation  
and Park District,  
Recreation Facili-  
ties..... 12,000

## Projects in Siskiyou County

(23) McCloud CSD,  
McCloud Recrea-  
tion Facilities ..... 40,000

## Projects in Stanislaus County

(24) City of River-  
bank, Riverbank  
Park..... 18,000

## Provisions:

1. The project review funds payable from the State, Urban, and Coastal Park Fund appropriated in category (a) of this item are for purposes set forth in subdivision (a) of Section 5096.124 of the Public Resources Code and are available for expenditure during the 1983-84 fiscal year.
2. The grants payable from the State, Urban and Coastal Park Fund, appropriated in category (b) of this item, are for grants to counties, cities, and districts, as defined in Section 5096.123, pursuant to subdivision (a) of Section 5096.124, of the Public Resources Code and unless otherwise provided herein, funds appropriated for each of the local grant projects in this item are for acquisition, development, or restoration, or any combination thereof, and are available for expenditure during the 1983-84, 1984-85, and 1985-86 fiscal years.

3790-101-890—For local assistance, Department of  
Parks and Recreation, payable from the Federal  
Trust Fund .....

343,000

## Schedule:

- (a) National Historic Preservation Act  
of 1966 ..... 343,000
- (1) Northern Califor-  
nia ..... 172,000
- (2) Southern Califor-  
nia ..... 171,000

Item	Amount
Provisions:	
1. The funds appropriated by this item are not subject to the provisions of Section 28.	
3790-301-190—For capital outlay, Department of Parks and Recreation, payable from the Resources Account, Energy and Resources Fund .....	689,000
Schedule:	
(a) Bolsa Chica and Huntington SB-sand replenishment.....	689,000
3790-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund .....	4,093,000
Schedule:	
(a) Prebudget and appraisal costs .....	50,000
(b) Pismo Dunes SVRA, dune revegetation and stabilization—working drawings and construction .....	1,200,000
(d) Carnegie SVRA, initial development-working drawings and partial construction .....	330,000
(e) Ocotillo Wells SVRA, initial development-working drawings and construction .....	113,000
(f) Hollister Hills SVRA, facilities development and construction.....	1,050,000
(g) Minor projects .....	1,350,000
3790-301-392—For capital outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund .....	2,211,000
Schedule:	
(d) Hearst San Simeon SHM—continuing rehabilitation .....	200,000
(e) Hearst San Simeon SHM—road repair .....	676,000
(g) Mokelumne River Project—acquisition .....	200,000
(n) Statewide storm damage.....	228,000
(o) Pismo SB—construct seawall repairs and improvements .....	157,000
(p) Statewide preliminary planning, acquisition costs, and prebudget appraisals .....	150,000
(q) Kings Beach SRA—improvement of facilities .....	250,000
(r) El Presidio de Santa Barbara—option or acquisition .....	350,000

Item

Amount

Provisions:

1. None of the funds appropriated for acquisition of parklands in this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.
2. None of the funds appropriated for Hearst San Simeon SHM road repair in category (e) shall be derived from tidelands oil revenues.
3. None of the funds appropriated in category (g) of this item for the acquisition of lands for inclusion in the Mokelumne River Project shall be encumbered unless and until an agreement is entered into with the U.S. Bureau of Land Management, or any other nonstate agency or department, for that nonstate entity to operate and maintain the project at no additional cost to the state.
4. Notwithstanding Section 2.00 of this act, funds, appropriated in category (p) for preliminary planning, acquisition costs, and prebudget appraisals shall be available for expenditure only during the 1983-84 fiscal year.

PARKLANDS FUND OF 1980  
PROGRAM

3790-301-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980 .....	29,525,000
Schedule:	
(a) Angel Island SP—restoration and construct day use facilities .....	2,060,000
(b) Columbia SHP—restoration and construction of Fallon Hotel and Theatre, Phase IV .....	1,328,000

Item	Amount
(e) Old Town San Diego SHP—construct Rose-Robinson Building, Franklin/Colorado House, Alvarado family property, and Alvarado Lucia House .....	1,089,000
(f) Statewide preliminary planning....	50,000
(h) San Diego Coast SB—working drawings and construct day use parking and rehabilitation.....	1,683,000
(i) San Pasqual Battlefield SHP—construct Interpretive Center .....	993,000
(j) San Simeon SB—working drawings and construct day-use, campground, and sewer hookup .....	2,789,000
(k) Sinkyone Wilderness SP—trail camps and trail construction .....	112,000
(m) Minor projects: .....	712,000
(1) Handicapped retrofit .....	212,000
(2) Enroute camping..	100,000
(3) Environmental camping .....	200,000
(4) Retrofit visitor services facilities ..	200,000
(n) Design and construction planning	3,197,000
(o) Sacramento Regional Indian Museum—planning and development .....	200,000
(p) Angel Island SP—construct sewage system.....	233,000
(q) Ano Nuevo SP—working drawings and construct entrance road	254,000
(r) Seccombe Lake SURA—acquisition and development .....	2,500,000
(s) Chino Hills Project—acquisition ..	8,200,000
(t) Colonel Allensworth SHP—working drawings and construct water pump .....	225,000
(u) Baldwin Hills Project—acquisition and development.....	3,900,000

**Provisions:**

1. None of the funds appropriated for acquisition of parklands in this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been

## Item

## Amount

complied with in the investigations and appraisals of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

2. The funds appropriated in category (i) of this item for the construction of an interpretive center at the San Pasqual Battlefield SHP may, if the project does not meet the allocations of types of expenditures as specified in the California Parklands Act of 1980, be made available to and in augmentation of category (h) of this item for the construction of day use parking and rehabilitation at the San Diego Coast State Beaches not sooner than 30 days after the Director of Parks and Recreation notifies the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Senate Finance Committee, and the Chairperson of the Assembly Ways and Means Committee, in writing, that the funds are no longer available for the construction of an interpretive center at the San Pasqual Battlefield SHP.
3. No funds appropriated in category (u) of this item for acquisition of lands in the Baldwin Hills project shall be encumbered unless and until the Department of Finance has reviewed, and the State Public Works Board has approved, a long-term agreement between the Department of Parks and Recreation and the County of Los Angeles for the county to operate and maintain the project at no additional cost to the state.

3790-311-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980 .....

1,757,000

Schedule:

- (a) Seccombe Lake SURA—acquisition and development ..... 1,757,000

RECREATION AND FISH AND WILDLIFE  
ENHANCEMENT FUND

3790-301-728—For capital outlay, Department of Parks and Recreation, payable from the Recreation and Fish and Wildlife Enhancement Fund .....

1,936,000

Schedule:

- (a) Design and Construction Planning ..... 8,000
- (b) Regional Indian Museums Displays—acquisition and development ..... 678,000

Item	Amount
(c) Lake Del Valle SRA—development, working drawings, and construction .....	1,250,000

#### STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1964 PROGRAM

3790-301-732—For capital outlay, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1964 .....	113,000
Schedule:	
(a) Design and construction planning .....	5,000
(b) Minor projects .....	108,000
Provisions:	
1. Of the funds appropriated in category (b) of this item for minor projects, \$50,000 shall be for the restoration of the historic portrait of John A. Sutter, and \$58,000 shall be for the preparation of a museum-quality reproduction of the historic Golden Spike painting.	

#### STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

3790-301-733—For capital outlay, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 .....	406,000
Schedule:	
(a) Old Sacramento SHP-Chinese interpretive exhibit for the State Railroad Museum.....	80,000
(b) Old Sacramento SHP-Planning for a new orientation film at the State Railroad Museum.....	10,000
(c) Design and construction planning .....	244,000
(d) San Juan Bautista SHP—interpretive development .....	72,000
Provisions:	
1. The funds appropriated in category (d) of this item shall be available for the completion of the restoration of the Plaza Hotel in San Juan Bautista State Historic Park, with any savings to be used for interpretive development.	



Item

Amount

**NEJEDLY-HART STATE, URBAN, AND COASTAL PARK  
BOND ACT PROGRAM**

**3790-301-742—**For capital outlay, Department of Parks and Recreation, payable from the State, Urban, and Coastal Park Fund..... **10,347,000**  
Schedule:

- (a) Project planning and design..... 273,000
- (b) Huntington SB—reconstruction,  
phase II ..... 3,674,000
- (c) Millerton Lake SRA—working  
drawings and construction of day  
use facilities..... 1,103,000
- (d) California Agriculture Museum—  
study ..... 97,000
- (e) Malibu Canyon Project—acqui-  
sition ..... 2,700,000
- (f) East Bay Shoreline Project—acqui-  
sition and development ..... 2,500,000

**3790-301-952—**For capital outlay, Department of Parks and Recreation, payable from the State Park Contingent Fund..... **0**  
Schedule:

- (a) Big Basin Redwoods SP—acqui-  
sition ..... 200,000
- (b) Castle Rock SP—acquisition ..... 100,000
- (c) Rancho Raymundo—acquisition .. 450,000
- (d) Amount payable from the Federal  
Trust Fund ..... -750,000

**Provisions:**

1. No request from the Department of Parks and Recreation to augment the amount provided in any category of this item by transfer from one or more other categories of this item shall be approved by the Department of Finance any sooner than 30 days after the Department of Finance notifies the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of the department's intent to approve the transfer, or not sooner than such lesser time as may be specified by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

## Item

## Amount

2. No funds appropriated in category (c) of this item for acquisition of Rancho Raymundo shall be encumbered unless and until the Department of Parks and Recreation enters into an agreement with the Mid-Peninsula Open Space District for the district to operate and maintain Rancho Raymundo and the Burleigh Murray Ranch as an integrated unit at no cost to the state.

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in such appropriations, and shall be available for expenditure until June 30, 1984.

263—Off-Highway Vehicle Fund:

- (1) Item 228(a), Budget Act of 1977, County of Riverside, De Anza Motorcycle Park.
- (2) Item 228(d), Budget Act of 1977, City of Norco, Neal Snipes Motorcycle Park.
- (3) Item 228(g), Budget Act of 1977, County of Sacramento, Off-Road Vehicle Park Development Phase I.
- (4) Item 228(i), Budget Act of 1977, County of Los Angeles, Rowher Flats Off-Highway Vehicle Park Project Phase I.
- (5) Item 228(j), Budget Act of 1977, Los Angeles County Flood Control District, San Gabriel River Off-Highway Vehicle Staging Area.
- (6) Item 403.5(b), Budget Act of 1977, Hungry Valley SVRA-planning and operations.
- (7) Item 223(a), Budget Act of 1978, County of Monterey, Laguna Seca Mini Bike Course.
- (8) Item 223(e), Budget Act of 1978, County of Riverside, De Anza Motorcycle Park, Phase II.
- (9) Item 466(a), Budget Act of 1979, Pismo Dunes, SVRA—acquisition and development.
- (10) Item 260.1(i), Budget Act of 1980, U.S. Forest Service, Lake Tahoe Basin Management Unit OHV Facilities.
- (11) Item 260.1(k), Budget Act of 1980, U.S. Forest Service, El Dorado National Forest OHV Facilities.
- (12) Item 260.1(m), Budget Act of 1980, U.S. Forest Service, Cleveland National Forest OHV Facilities.

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## Amount

- (13) Item 260.1(o), Budget Act of 1980, Bureau of Land Management, Folsom District OHV Facilities.
- (14) Item 260.1(r), Budget Act of 1980, Bureau of Land Management, Riverside District OHV Facilities.
- (15) Section 6(b), Chapter 809, Statutes of 1980, California OHV Recreation and Trail Study.
- 392—State Parks and Recreation Fund
  - (1) Item 3790-301-392(f), Budget Act of 1982. Minor project.
  - (2) Item 3790-301-392(j), Budget Act of 1982. Statewide—working drawings and construct storm damage.
- 721—Parklands Fund of 1980:
  - (1) Item 379-301-721(f)(3), Budget Act of 1981, Minor Projects—volunteer projects.
  - (2) Item 379-301-721(m), Budget Act of 1981, Verdugo Hills—acquisition; provided that the funds for this project may only be expended in an amount equal to the amount expended by local government for this same project.
  - (3) Item 379-301-721(o), Budget Act of 1981, Crystal Cove SP—preliminary plans, working drawings and construction.
  - (4) Item 379-301-721(q), Budget Act of 1981, Malibu Creek SP—construction of day use facilities.
  - (5) Item 3790-301-721(b), Budget Act of 1982, Angel Island SP—working drawings for restoration.
  - (6) Item 3790-301-721(j), Budget Act of 1982, Humboldt Redwoods SP—bank protection study.
  - (7) Item 3790-301-721(w)(4), Budget Act of 1982, minor projects—volunteer projects.
  - (8) Item 3790-301-721(bb), Budget Act of 1982, Baldwin Hills.
  - (9) Item 3790-301-721(ii), Budget Act of 1982, San Onofre State Beach—camping parcel I.
  - (11) Item 3790-304-721(a), Budget Act of 1982, as added by Chapter 1540, Statutes of 1982, Emma Wood State Beach—development and restoration.
  - (12) Item 3790-301-721(aaa), Budget Act of 1982, Hearst San Simeon SHM—construct visitor center.

## Item

## Amount

(13) Item 3790-301-721(ss), Budget Act of 1982, Fresno Agricultural Museum—development; provided that if sufficient funding is not available in the Parklands Fund of 1980, the balance of funds may be provided by other bond funds pursuant to Section 28.00 of this act.

732—State Beach, Park, Recreational, and Historical Facilities Fund of 1964

(1) Item 403.1J(a), Budget Act of 1976, as added by Chapter 1379, Statutes of 1976, Delta Meadows land acquisition.

(2) Item 495.5B(b), Chapter 1085, Statutes of 1979, Seccombe Lake SVRA—general plan development.

(3) Item 573(b), Budget Act of 1980, Relocation Assistance.

(4) Item 3790-102-732, Budget Act of 1982, as added by Chapter 841, Statutes of 1982, East Bay Trail Project—acquisition and development of riding and hiking trails.

733—State Beach, Park, Recreational, and Historical Facilities Bond Act of 1974

(1) Item 435(g), Budget Act of 1977, Fort Ross SHP—Kuskov House restoration.

(2) Item 435(q), Budget Act of 1977, Topanga SP—trails, sanitary facilities, parking, working drawings and construction.

(3) Item 503(d), Budget Act of 1978, Monterey SHP—Cooper-Molera restoration.

(4) Item 503(l), Budget Act of 1978, San Juan Bautista SHP—Plaza Hotel restoration.

(5) Item 578(b), Budget Act of 1980, Angel Island—sewer construction.

(6) Item 379-302-733(a), Budget Act of 1981, as added by Chapter 161, Statutes of 1982, Baldwin Hills—acquisition and development.

742—State Urban and Coastal Park Fund

(1) Item 443.2B(d), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977, Garrapata Beach—acquisition.

(2) Item 443.8(58), Budget Act of 1977, City of Firebaugh, Andrew Firebaugh Historical Park.

(3) Item 512(d), Budget Act of 1978, Malibu Creek SP, Phase I construction.

(4) Item 518(87), Budget Act of 1978, County of Merced, Hagaman Park.

(5) Item 518(88), Budget Act of 1978, County of Merced, Henderson Park.

## Item

## Amount

- (6) Item 518(101), Budget Act of 1978, Greenfield Recreation District, Greenfield Parkland.
- (7) Item 518(236), Budget Act of 1978, Happy Camp Community Services District, Happy Camp Park.
- (8) Item 508(d), Budget Act of 1979, Little Sur River—acquisition.
- (9) Item 508(h), Budget Act of 1979, Irvine Coast—acquisition.
- (10) Item 508(i), Budget Act of 1979, Santa Monica Mountains Zone, backbone trail, viewshed of Malibu Creek SP and Stunt Road Zone.
- (11) Item 508(l), Budget Act of 1979, option purchases.
- (12) Item 507.5B(a), Budget Act of 1979, as added by Chapter 372, Statutes of 1980—acquisition of land, leases, and other interests in land; acquisition and development of recreational facilities at Lake Elsinore SRA.
- (13) Item 513(21), Budget Act of 1979, Caruthers Community Services District, Caruthers Community Park.
- (14) Item 513(107.1), Budget Act of 1979, City of Petaluma, West Petaluma Regional Park.
- (14.5) Item 585(b), Budget Act of 1980, Candles-tick Park SRA—day use, construction.
- (15) Item 585(c), Budget Act of 1980, Castaic Lake SRA—working drawings and construction.
- (16) Item 585(d), Budget Act of 1980, China Camp AP—working drawings and construction.
- (17) Item 585(k), Budget Act of 1980, augmentation for land acquisition, condemnation proceedings for State, Urban, and Coastal Park Fund projects.
- (18) Item 585(l), Budget Act of 1980, relocation assistance.
- (19) Item 585(n), Budget Act of 1980, El Capitan SB—acquisition.
- (20) Item 379-301-742(b), Budget Act of 1981, Pyramid Reservoir—construction of camping and day use facilities.

3790-495—Reversion, Department of Parks and Recreation. As of June 30, 1983, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made.

036—Special Account for Capital Outlay

Item	Amount
(1) Item 528(a), Budget Act of 1980. Hearst San Simeon State Historic Monument—continuing restoration.	
(2) Item 528(b), Budget Act of 1980. Hearst San Simeon State Historic Monument—visitor center, working drawings.	
263—Off-Highway Vehicle Fund	
(1) Section 2(a), Chapter 741, Statutes of 1975. For the acquisition of an interest in real and personal property in San Diego County (Ocotillo Wells SVRA).	
(3) Item 461(b), Budget Act of 1978. Hollister Hills SVRA—Phase I, working drawings and construction.	
(4) Item 379-301-263(a), Budget Act of 1981. Hollister Hills SVRA—working drawings for facilities improvements.	
(5) Item 3790-301-263(c), Budget Act of 1982. Minor projects.	
(6) Item 3790-301-263(g), Budget Act of 1982, Sycamore Canyon Project Feasibility Study.	
188—Energy and Resources Fund	
(1) Item 532(b), Budget Act of 1980. Antelope Valley—working drawings and construction.	
(2) Item 532(e), Budget Act of 1980. El Capitan State Beach—storm damage repair and redevelopment.	
189—Energy Account, Energy and Resources Fund	
(1) Item 3790-301-189(a), Budget Act of 1982. Minor projects.	
(2) Item 3790-301-189(b), Budget Act of 1982. Design and construction planning.	
392—State Parks and Recreation Fund	
(1) Section 1(h), Chapter 1521, Statutes of 1974. Mendocino Headlands SP—augmentation for land acquisition.	
(2) Section 2(A), Chapter 1529, Statutes of 1974. Acquisition of riding, hiking, and bicycle trails—Santa Cruz, San Mateo and Santa Clara.	
(3) Item 402(d), Budget Act of 1977. Huntington SB—day use, working drawings.	
(4) Section 1, Chapter 835, Statutes of 1977. Colonel Allensworth SHP—restoration and development.	
(5) Item 457(e), Budget Act of 1978. Property acquisition and boundary survey.	

## Item

## Amount

- (6) Item 530(g), Budget Act of 1980. Antelope Valley—working drawings and construction.
  - (7) Item 530(j), Budget Act of 1980. Reimbursements from Land and Water Conservation Funds.
  - (8) Item 530(k), Budget Act of 1980. Reimbursements from the California State Parks Foundation.
  - (9) Section 4(l), Chapter 809, Statutes of 1980. Sonoma Coast State Beach, Furlong Gulch—acquisition.
  - (10) Section 4(o), Chapter 809, Statutes of 1980. Del Valle Lake SRA expansion.
  - (11) Section 4(t), Chapter 809, Statutes of 1980, McGrath SB addition—acquisition.
  - (12) Item 379-301-392(k), Budget Act of 1981. Old Town San Diego SHP—working drawings for reconstruction.
  - (14) Section 1(a), Chapter 853, Statutes of 1975, Acquisition of beach lands in the City of Pacifica.
  - (15) Section 1(c), Chapter 853, Statutes of 1975, Reimbursement from Land and Water Conservation Fund.
  - (16) Section 2(b), Chapter 1066, Statutes of 1980, as amended by Section 6, Chapter 1305, Statutes of 1980.
  - (17) Section 4(e), Chapter 809, Statutes of 1980, El Pueblo de Los Angeles SHP, MTA Building.
  - (18) Section 4(j), Chapter 809, Statutes of 1980, Chino Hills Project (Telegraph Canyon).
  - (19) Section 4(q), Chapter 809, Statutes of 1980, Henry Coe expansion (Gil Mustang Ranch).
  - (20) Item 379-301-392(g), Budget Act of 1981, Hearst San Simeon SHM, working drawings for water system.
  - (21) Item 379-301-392(w), Budget Act of 1981, Wilder Ranch SP, acquisition.
- 721—Parklands Fund of 1980
- (1) Item 379-101-721 (c) (206), Budget Act of 1981. City of South El Monte, South El Monte Pool.
  - (2) Item 379-101-721 (c) (232), Budget Act of 1981. County of Monterey, Toro Regional Park.

Item	Amount
(3) Item 3790-101-721 (b) (71), Budget Act of 1982. City of Garden Grove, Hare School Park.	
(4) Item 3790-101-721 (b) (84), Budget Act of 1982. City of Riverside, Fairmont Park.	
(5) Item 3790-101-721 (b) (85), Budget Act of 1982. City of Riverside, Hunt Park.	
(6) Item 3790-101-721 (b) (86), Budget Act of 1982. City of Riverside, La Sierra Park.	
(7) Item 3790-101-721 (b) (87), Budget Act of 1982. City of Riverside, Nichols Park.	
(8) Item 3790-101-721 (b) (117), Budget Act of 1982. City of Santa Barbara, East Beach.	
(9) Item 3790-101-721 (b) (137), Budget Act of 1982. City of Sonoma, Olsen Park.	
(10) Item 379-301-721 (d), Budget Act of 1981. Project Feasibility Studies.	
(11) Item 379-301-721 (f-1), Budget Act of 1981. Minor projects—environmental campsites.	
(12) Item 379-301-721 (f-2), Budget Act of 1981. Minor projects—handicapped retrofit.	
(13) Item 379-301-721 (f-4), Budget Act of 1981. Minor projects—Point Arena Hostel.	
(14) Item 379-301-721 (h), Budget Act of 1981. Multicultural Park feasibility study and working drawings.	
(15) Item 3790-301-721 (w-1), Budget Act of 1982. Minor projects, handicapped retrofit.	
(16) Item 3790-301-721 (w-2), Budget Act of 1982. Minor projects, enroute camping.	
(17) Item 3790-301-721 (w-3), Budget Act of 1982. Minor projects, environmental campsites.	
(18) Item 3790-301-721 (w-5), Budget Act of 1982. Minor projects, coastal access projects.	
(19) Item 3790-301-721 (x), Budget Act of 1982. Design and construction planning.	
(20) Item 3790-301-721 (kk), Budget Act of 1982. Preliminary planning.	
(21) Item 3790-301-721 (11), Budget Act of 1982. Statewide interpretive, natural, and archeological management.	



## Item

## Amount

- (22) Item 379-101-721 (c) (14), Budget Act of 1981, Hayward Area Recreation and Park District, Carlos Bee Park and Botany Grounds.
- (23) Item 379-101-721 (c) (47), Budget Act of 1981, Feather River Recreation and Park District, Neighborhood Parks.
- (24) Item 379-101-721 (c) (271), Budget Act of 1981, City of La Habra, Vista Grande/La Bonita Parks.
- (25) Item 379-101-721 (c) (280), Budget Act of 1981, City of Colfax, Illinoistown Park.
- (26) Item 379-101-721 (c) (322), Budget Act of 1981, North Highlands Recreation and Park District, Highlands High Courts.
- (27) Item 379-101-721 (c) (327), Budget Act of 1981, County of Sacramento, Ancil Hoffman Park.
- (28) Item 379-101-721 (c) (418), Budget Act of 1981, Cuyama Valley Recreation District, Cuyama Valley Recreation Center.
- (29) Item 379-101-721 (c) (454), Budget Act of 1981, County of Shasta, Balls Ferry Park.
- (30) Item 379-101-721 (c) (460.3), Budget Act of 1981, City of Weed and Weed Recreation and Park District, Weed Swimming Pool.
- (31) Item 3790-101-721 (b) (13), Budget Act of 1982, as amended by Chapter 1421, Statutes of 1982, East Bay Regional Park District, Contra Costa Trail.
- (32) Item 3790-101-721 (b) (52.4), Budget Act of 1982, as amended by Chapter 1421, Statutes of 1982, County of Los Angeles, Reyes Adobe.
- (33) Item 3790-301-721 (k), Budget Act of 1982, Huntington SB-working drawings and construct day use, parking, and rehabilitation; except that this reversion shall be limited to \$625,000.
- (34) Item 3790-301-721 (o), Budget Act of 1982, Multicultural Center-Exposition Park-partial working drawings and construct Multicultural Center.
- (36) Item 3790-101-721 (b) (20), Budget Act of 1982, as amended by Chapter 1421, Statutes of 1982. City of Fresno, Logan Park.

## Item

## Amount

- (37) Item 379-101-721 (c) (402), Budget Act of 1981, City of Morro Bay, Del Mar Park.
- (38) Item 379-101-221 (c) (143), Budget Act of 1981, City of Duarte, Enchanto Park.
- 728—Recreation and Fish and Wildlife Enhancement Fund
  - (1) Item 3790-301-728(c), Budget Act of 1982. Design and construction planning.
  - (2) Item 379-301-728(b), Budget Act of 1981, Lake Perris SRA—working drawings for day use facility.
- 732—State Beach, Park, Recreational, and Historical Facilities Fund of 1964
  - (1) Item 498(b), Budget Act of 1978. Salt Point—campground and day use.
  - (2) Item 3790-301-732(b), Budget Act of 1982. Design and construction planning.
- 733—State Beach, Park, Recreational, and Historical Facilities Bond Act of 1974
  - (1) Item 410.7B(w), Budget Act of 1974, as added by Chapter 1484, Statutes of 1974. Anza-Borrego Desert SP, Coyote Canyon—land acquisition.
  - (2) Item 410.3H(a), Chapter 1514, Statutes of 1974. Morro Bay SP—land acquisition.
  - (3) Item 387.4(e), Budget Act of 1975. Colonel Allensworth SHP—restoration and reconstruction.
  - (4) Item 411.1A(a), Chapter 353. Statutes of 1976. Angel Island SP—repair and restoration of the Immigration Station Barracks.
  - (5) Item 411(r), Budget Act of 1976. Ventura-Santa Barbara Counties Bikeway.
  - (6) Item 411(v), Budget Act of 1976. Colonel Allensworth SHP—restoration and development.
  - (7) Item 387.1G(a), Chapter 212. Statutes of 1976. Watts Towers.
  - (8) Item 435(j), Budget Act of 1977. Old Sacramento SHP—Railroad Museum—working drawings and construction.
  - (9) Item 503(e), Budget Act of 1978. Old Sacramento SHP—49er Scene—working drawings.
  - (10) Item 503(i), Budget Act of 1978. Plumas-Eureka SP—Stamp Mill restoration.

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- (11) Item 503(k), Budget Act of 1978. Salt Point SP—working drawings and construction.
- (12) Item 500(c), Budget Act of 1979. Malibu Lagoon SB—working drawings and recreation facilities.
- (13) Item 500(f), Budget Act of 1979, Old Sacramento SHP—exhibits and rolling stock, Railroad Museum.
- (14) Item 578(g), Budget Act of 1980. Columbia SHP—restoration, Phase I.
- (15) Item 578(1), Budget Act of 1980. Old Sacramento SHP—49er Scene site development.
- (16) Item 578(m), Budget Act of 1980. Clean water grant, state reimbursement.
- (17) Item 578(n), Budget Act of 1980. Clean water grant, federal reimbursement.
- (18) Item 578(p), Budget Act of 1980. Relocation assistance.
- (19) Item 578(r), Budget Act of 1980. Railroad Museum—exhibit development and restoration.
- (20) Item 578.5A(b), Budget Act of 1980. Neary Rodriguez School Street Adobe—emergency repairs.
- (21) Item 578B, Budget Act of 1980. Bolsa Chica SB—bluff area lighting.
- (22) Item 3790-301-733, Budget Act of 1982. Project planning and design.
- (23) Section 9.3 (a), Chapter 1064, Statutes of 1973-Burton Creek Area, land acquisition.
- (24) Item 387.4(l), Budget Act of 1975-Sonoma Barracks SHP-interpretive audio visual program.
- (25) Item 435(m), Budget Act of 1977, San Onofre SB, day use.
- (26) Item 503(j), Budget Act of 1978, Point Mugu SP, working drawings and construction.
- (27) Item 500(h), Budget Act of 1979, option purchases.
- (28) Item 578(e), Budget Act of 1980, Bodie SHP stabilization.
- (29) Item 578(k), Budget Act of 1980, Malibu SP, campground working drawings.

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- (30) Item 578(o), Budget Act of 1980, augmentation for land acquisition for the State, Beach, Park Recreational and Historical Facilities Bond Act of 1974.
  - (31) Item 578.1(a), Budget Act of 1980, Railtown 1897, as reappropriated for Chino Hills Project.
  - (32) Item 578.5(a), Budget Act of 1980, Monterey SP, First Brick House and Whaling Station, emergency repairs.
- 742—State Urban and Coastal Park Fund
- (1) Item 443.8 (202), Budget Act of 1977, City of Walnut, Collegewood Neighborhood Park.
  - (2) Item 443.2B(e), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977. Gaviota SP—acquisition.
  - (3) Item 443.2B(f), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977. Hunters Lagoon—acquisition.
  - (4) Item 443.2B(h), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977. Lakes Earl and Talawa—acquisition.
  - (5) Item 443.2B(j), Budget Act of 1977. Ten Mile Dunes—acquisition.
  - (6) Item 443.2B(m), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977. Morro Bay SP—acquisition.
  - (7) Item 512(a), Budget Act of 1978. Empire Mine SHP—working drawings and construction.
  - (8) Item 512(c), Budget Act of 1978. Huntington SB—Phase II working drawings.
  - (9) Item 512(p), Budget Act of 1978, reimbursement—Federal Land and Water Conservation Fund.
  - (10) Item 512(i), Budget Act of 1978, Point Dume SB—acquisition and development.
  - (11) Item 513 (36.3), Budget Act of 1979, City of Shafter, Shafter High Recreation Facilities.
  - (12) Item 518 (26), Budget Act of 1978, County of Del Norte, Klamath City Park.
  - (13) Item 518 (91), Budget Act of 1978. City of Alturas, Alturas Community Pavilion.
  - (14) Item 518 (120.1), Budget Act of 1978. City of Napa, Alston Park.

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- (15) Item 518 (237), Budget Act of 1978. McCloud Community Services District, Community Swimming Pool.
- (16) Item 518 (247), Budget Act of 1978. City of Riverbank, Rio Altura Park.
- (17) Item 508(a), Budget Act of 1979. Garapata Project—acquisition.
- (18) Item 508(e), Budget Act of 1979. McGrath State Beach—acquisition.
- (19) Item 508(j), Budget Act of 1979. Candlestick Point SRA—development.
- (20) Item 590 (13.1), Budget Act of 1980. County of Kern, Kern River County Park.
- (21) Item 379-101-742 (14), Budget Act of 1981. City of Sacramento, Miller and Sim Parks.
- (22) Item 3790-301-742(a), Budget Act of 1982. Project planning and design.
- (25) Item 379-301-742(d), Chapter 999, Statutes of 1981. Santa Monica Mountains feasibility study.
- (26) Item 518 (25), Budget Act of 1978, County of Del Norte, Kellogg Beach.
- (27) Item 518 (31), Budget Act of 1978, City of South Lake Tahoe, City Bikeways.
- (28) Item 513 (20), Budget Act of 1979, County of Fresno, Lost Lake.
- (29) Item 3790-101-742(b) (11.2), Budget Act of 1982, as amended by Chapter 1421, Statutes of 1982, County of Los Angeles, Malibu Beaches.
- (30) Item 3790-101-742(b) (12), Budget Act of 1982, as amended by Chapter 1421, Statutes of 1982, County of Placer, Bear River Park.
- (31) Item 512E(a), Chapter 1258, Statutes of 1978, Folsom Lake, working drawings and construction.
- (32) Item 585(e), Budget Act of 1980, Empire Mine, water system.
- (33) Item 585(h), Budget Act of 1980, Pyramid Reservoir, working drawings and construction.
- (34) Item 585(p), Budget Act of 1980, Malibu Lagoon SB, construction.
- (35) Item 585(q), Budget Act of 1980, Wilder Ranch SP, California Dairy Museum.

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(36) Item 379-301-742(c), Chapter 999, Statutes of 1981, Santa Monica Mountains, Trail, Saddle Creek Ranch and White property acquisition.	
(37) Item 3790-101-742(b) (6), Budget Act of 1982, as amended by Chapter 1421, Statutes of 1982. City of Fresno, Logan Park.	
(38) Item 443.8 (63), Budget Act of 1977, City of Fresno, planned variation No. 3.	
(39) Item 585(n), Budget Act of 1980, El Capitan SB—land acquisition; except that this reversion shall be limited to \$1,200,000.	
952—State Park Contingent Fund	
(1) Item 403(a), Budget Act of 1977. Big Basin Redwoods—acquisition.	
(2) Item 403(I), Budget Act of 1977. Reimbursement, Federal Land and Water Conservation Funds.	
(3) Item 403(F), Budget Act of 1977. Reimbursement, Sempervirens Fund.	
3810-001-001—For support of Santa Monica Mountains Conservancy .....	303,000
Schedule:	
(a) 100000-Personal Services .....	304,000
(b) 300000-Operating Expenses and Equipment .....	148,000
(c) Reimbursements .....	—19,000
(d) Amount payable from the Parklands Fund of 1980 (Item 3810-301-721) .....	—130,000
3810-301-721—For capital outlay, Santa Monica Mountains Conservancy, payable from the Parklands Fund of 1980 .....	130,000
Schedule:	
(a) Project planning and design.....	130,000
3810-301-941—For capital outlay and local assistance, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund .....	5,000,000
Schedule:	
(a) Project planning and design.....	100,000
(b) Capital outlay and grants pursuant to Section 33204 of the Public Resources Code, for expenditure for the purposes of Division 23 of the Public Resources Code.....	4,900,000

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## Provisions:

1. The Department of Finance shall transfer the amount shown in schedule (a) to Item 3810-001-001, to be distributed between personal services and operating expenses and equipment as the department shall determine. The department shall report such distribution to the Chairman of the Joint Legislative Budget Committee.
2. The amount of \$2,000,000 of the funds appropriated by this item shall be for acquisition at Malibu Canyon. If the funds for acquisition at Malibu Canyon are not encumbered for that purpose during the 1983-84 fiscal year, \$2,000,000 of the funds appropriated by this item shall revert to the General Fund. The \$2,000,000 appropriated by this item for acquisition at Malibu Canyon shall not be available for expenditure, and shall revert to the General Fund, unless the total amount of \$5,000,000 is appropriated by this item, and, notwithstanding the provisions of Section 6217 of the Public Resources Code, the sum of not less than \$5,000,000 is deposited in the Santa Monica Mountains Conservancy Fund from revenues, moneys, and remittances received by the State Lands Commission pursuant to the provisions of Section 6217 of the Public Resources Code.
3. The Santa Monica Mountains Conservancy shall enter into an interagency agreement with the Department of Parks and Recreation, for an amount not to exceed \$2,000,000 for the acquisition of real property known as the Malibu Canyon Project.  
Such agreement shall be effective only if \$2,000,000 is provided for the Mailbu Canyon Project pursuant to Provision 2, above.

## 3810-490—Reappropriations, Santa Monica Mountains Conservancy

Notwithstanding any other provision of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1984.

535—Santa Monica Mountains Conservancy Fund

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- (1) Item 535(a), Budget Act of 1980. For grants and acquisition of land and interests therein pursuant to subdivisions (a), (c), and (d) of Section 33204 of the Public Resources Code.
- (2) Item 535(b), Budget Act of 1980. For buffer zone protection pursuant to subdivision (b) of Section 33204 of the Public Resources Code.
- (3) Item 535(c), Budget Act of 1980. For acquisition of excess public agency and tax deeded property pursuant to Section 33207 of the Public Resources Code.

## Provisions:

1. The amounts remaining, and any revenues derived from the sale of excess lands or from any other source which are credited to categories (a), (b), and (c), shall be available for expenditure for the same purposes as originally appropriated.
2. Of the amount derived from sale of lands an amount not to exceed \$200,000 shall be transferred to Item 3810-001-001 to provide for costs associated with this item.
3. Prior to the expenditure of funds the Conservancy shall notify the Joint Legislative Budget Committee pursuant to Section 28.00 respecting the proposed use of funds.

3820-001-001—For support of San Francisco Bay Conservation and Development Commission ..... 988,000

## Schedule:

- |   |           |
|---|-----------|
| (a) 100000-Personal Services .....                | 846,000   |
| (b) 300000-Operating Expenses and Equipment ..... | 349,000   |
| (c) Reimbursements .....                          | — 207,000 |

3860-001-001—For support of Department of Water Resources ..... 19,885,000

## Schedule:

- |   |            |
|---|------------|
| (a) 10-Continuing Formulation of the California Water Plan.....             | 10,354,000 |
| (b) 20-Implementation of the State Water Resources Development System ..... | 346,000    |
| (c) 30-Public Safety and Prevention of Damage .....                         | 11,262,000 |
| (d) 40-Services.....  | 2,990,000  |
| (e) 50.01-Management and Administration.....                                | 21,461,000 |



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(f) 50.02-Distributed Management and Administration .....	— 21,461,000
Reimbursements .....	— 5,067,000
Provisions:	
1. The amounts appropriated in Items 3860-001-001 to 3860-001-940, inclusive, shall be transferred to the Water Resources Revolving Fund (691) for direct expenditure in such amounts as the De- partment of Finance may authorize, including cooperative work with other agencies. The money so transferred shall be placed in a special account in that fund and shall not be available for expenditure after June 30, 1984. Any unen- cumbered balances shall be returned to the ap- propriate funds as of June 30, 1984. Expenditures for technical services and general management charged to programs from all support appropri- ations for the Department of Water Resources in this act shall not exceed \$11,392,000 and \$8,105,- 000 respectively, without prior approval of the Department of Finance.	
3860-001-140—For support of Department of Water Re- sources, Program 10—Continuing Formulation of the California Water Plan, payable from the Cali- fornia Environmental License Plate Fund .....	1,142,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be ap- plicable to this item.	
2. Of the amount appropriated by this item, \$250,- 000 shall be utilized for a program of creek revi- talization, and shall be contingent upon the enactment of AB 918 at the 1983–84 Regular Ses- sion.	
3860-001-190—For support of Department of Water Re- sources, Program 30—Public Safety and Preven- tion of Damage, payable from the Resources Account, Energy and Resources Fund .....	130,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be ap- plicable to this item.	
3860-001-890—For support of Department of Water Re- sources, payable from the Federal Trust Fund .....	420,000
Schedule:	
(a) 10-Continuing Formulation of the California Water Plan .....	30,000
(c) 30-Public Safety and Prevention of Damage .....	288,000
(d) 40-Services .....	102,000

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Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-940—For support of Department of Water Resources, Program 10—Continuing Formulation of the California Water Plan, payable from the Renewable Resources Investment Fund.....	402,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-101-001—For local assistance, Department of Water Resources, Program 30—Public Safety and Prevention of Damage .....	6,499,000
Provisions:	
1. For expenditure by the Department of Water Resources, in accordance with Chapter 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, for payment of, and for reimbursement for necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized pursuant to Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, and administrative costs.	
2. The funds appropriated by this item are available only for 1982–83 claims for reimbursement which have been audited and made ready for payment by the Controller's office, with the addition of \$200,000 in claims for advances which were approved for payment by the Department of Water Resources in 1982–83. No expenditures shall be made until the local organizations give assurances that they will maintain and operate the projects after completion in such manner as will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organizations will hold and save the State of California free from damages or claims due to the construction, in-	

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stallation, or operation of the project.	
3860-101-190—For local assistance, Department of Water Resources, Program 30—Public Safety and Prevention of Damage, for reimbursement of agencies' maintenance or improvement costs on nonproject levees, payable from the Resources Account, Energy and Resources Fund .....	1,384,000
Provisions:	
1. No costs incurred for maintenance or improvement shall be reimbursed from the appropriation in this item if the entire cost incurred per mile of levee is \$1,000 or less and 50 percent of any costs incurred in excess of \$1,000 per mile shall be reimbursed. No funds appropriated by this item shall be expended for the purposes of the item unless a nonstate entity provides hold-harmless assurances to the State of California for the work which would be done with such funds.	
3860-301-190—For capital outlay, Department of Water Resources, payable from the Resources Account, Energy and Resources Fund .....	5,051,000
Schedule:	
(a) 30.10.050.010-Sacramento River Bank Protection Project .....	1,851,000
(c) 30.10.050.030-Cache Creek Levee Repair .....	700,000
(d) 30.10.050.040-Sacramento River Flood Control System and Bypass Rehabilitation .....	2,300,000
(e) Sacramento Riverbank Protection Project-acquisition of riparian habitat .....	200,000
Provisions:	
1. The amount appropriated in category (a) of this item is for acquisition of land, easements and rights-of-way, including but not limited to, borrow pit, spoil areas and easements for levees, clearing, flood control works and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code; and for advances to the federal gov-	

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ernment or payments to the federal government or others for incidental construction or reconstruction items which are an obligation of the state in connection with the completion or operation of the following projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works and other structures and facilities and for appraisals, surveys, and engineering studies incidental thereto.

3. Notwithstanding the provisions of Section 2 of this act, the amounts appropriated in this item shall be available for expenditure only during the 1983-84 fiscal year.
4. The amount appropriated in category (c) of this item shall be reduced to the extent that federal funds are available to fund this project.
5. Notwithstanding any other provisions of law, of the amount appropriated in category (d) of this item, \$70,000 may be expended to secure necessary title to properties required for the Sacramento Riverbank Protection Project authorized by the 1983 Federal Jobs Bill.

3860-490—Reappropriation, Department of Water Resources. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations are hereby reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in those appropriations, and shall be available for expenditure until June 30, 1984:

140—California Environmental License Plate Fund

- (1) Item 3860-001-140, Budget Act of 1982; except that this reappropriation shall be limited to the study of a coordinate, chemical, bonding, and absorption waste water treatment process in San Diego.

3940-001-001—For support of State Water Resources Control Board.....

14,080,000

Schedule:

- |   |            |
|---|------------|
| (a) 10-Water Quality .....                  | 10,285,000 |
| (b) 20-Water Rights .....                   | 5,271,000  |
| (c) 30.01-General Support .....             | 3,911,000  |
| (d) 30.02-Distributed General Support ..... | —3,911,000 |
| (e) Reimbursements .....                    | —1,476,000 |

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3940-001-014—For support of State Water Resources Control Board, Program 10—Water Quality, payable from the Hazardous Waste Control Account, General Fund .....	338,000
3940-001-890—For support of State Water Resources Control Board, Program 10—Water Quality, payable from the Federal Trust Fund .....	11,683,000
3940-011-014—For support of State Water Resources Control Board, Program 10—Water Quality, payable from the Hazardous Waste Control Account, General Fund .....	1,000,000
Provisions:	
1. No funds appropriated by this item shall be encumbered except for the purposes of AB 2013 of the 1983-84 Regular Session, and shall not be expended unless and until AB 2013 of the 1983-84 Regular Session is chaptered.	

### HEALTH AND WELFARE

4100-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund .....	3,212,000
Schedule:	
(a) 100000-Personal Services .....	451,000
(b) 300000-Operating Expenses and Equipment .....	273,000
(c) Community Program Development .....	955,000
(d) Allocation for Area Boards .....	1,537,000
(d) Reimbursements .....	-4,000
4110-001-001—For support of Area Boards on Developmental Disabilities.....	0
Schedule:	
(a) 100000-Personal Services .....	1,079,000
(b) 300000-Operating Expenses and Equipment .....	458,000
(c) Reimbursements .....	-1,537,000
4120-001-001—For support of the Emergency Medical Services Authority .....	546,000
Provisions:	
1. The Emergency Medical Services (EMS) Authority shall use the following guidelines in administering state-funded grants to local agencies: (a) funding eligibility shall be limited to rural regions that demonstrate a heavy use of the EMS system by nonresidents, (b) local agencies shall provide matching funds of at least \$1	

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for each dollar of state funds received, (c) state funding shall be used to provide only essential minimum services necessary to operate the system, as defined by the authority, (d) no region shall receive both federal and state funds in the same fiscal year for the same purpose, and (e) the authority shall use a competitive process to award the funds and shall monitor the use of the funds by recipients to assure that these funds are used in an appropriate manner.	
4120-001-890—For support of the Emergency Medical Services Authority, payable from the Federal Trust Fund .....	140,133
4120-101-001—For local assistance, Emergency Medical Services Authority, grants to local agencies.....	448,000
4120-101-890—For local assistance, Emergency Medical Services Authority, payable from the Federal Trust Fund .....	1,619,715
4130-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund .....	22,970,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Health and Welfare Agency Data Center.	
4140-001-001—For support of Office of Statewide Health Planning and Development .....	967,000
Schedule:	
(a) 100000-Personal Services .....	5,713,000
(b) 300000-Operating Expenses and Equipment .....	5,476,000
(d) Reimbursements .....	-3,446,000
(e) Amount payable from the Health Facilities Construction Loan Insurance Fund (Health and Safety Code Section 436.26) .....	-722,000
(f) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121) .....	-4,349,000
(g) Amount payable from the Federal Trust Fund (Item 4140-001-890) ..	-1,705,000
4140-001-121—For support of Office of Statewide Health Planning and Development, to be transferred to Item 4140-001-001, payable from the Hospital Building Account, Architecture Public Building Fund (Health and Safety Code Section 15012) .....	4,349,000

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4140-001-890—For support of Office of Statewide Health Planning and Development, to be transferred to Item 4140-001-001, payable from the Federal Trust Fund .....	1,705,000
4140-101-001—For local assistance, Office of Statewide Health Planning and Development for Health Professions Development (Family Physician Training) .....	2,880,000
Provisions:	
1. Notwithstanding the provisions of Section 2 of this act, the funds appropriated in this item for contracts with: accredited medical schools, programs which train primary care physician's assistants, hospitals or other health care delivery systems located in California, which meet the standards of the Health Manpower Policy Commission established pursuant to Chapter 1 (commencing with Section 69270) of Part 42 of Division 5 of Title 3 of the Education Code, shall be available for fiscal years 1984-85, 1985-86, and 1986-87. The amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1984.	
4170-001-001—For support of Department of Aging ....	1,780,000
(a) 10-Nutrition .....	1,008,000
(b) 20-Employment Service .....	42,000
(c) 30-Supportive Services and Centers .....	706,000
(d) 40-Special Projects .....	42,000
(e) 50.01-Administration .....	3,575,000
(f) 50.02-Distributed Administration ..	-3,575,000
(h) Reimbursements .....	-18,000
Provisions:	
1. The funds allocated in category (a) for contracts with Area Agencies and local providers for provisions of meals shall be allocated only on the basis of contracts which project the number of meals served on a realistic computation of (1) the estimated costs of providing those meals taking into account food and other costs, and (2) the expected offsets in the form of contributions, including but not limited to in-kind services, provided further that the Department shall review quarterly the expenditures and meal services under each contract and may reduce, at the discretion of the Director of Aging, the senior meal service level on a quarterly basis, of those contracts which are overspending their allotted	

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funds on an annualized basis.	
<b>4170-001-890</b> —For support of Department of Aging, payable from the Federal Trust Fund.....	2,421,000
(a) 10-Nutrition.....	849,000
(b) 20-Employment Service .....	338,000
(c) 30-Supportive Services and Cen- ters .....	1,071,000
(d) 40-Special Projects .....	163,000
Provisions:	
1. Provision 1 of Item 4170-001-001 is also applica- ble to this item.	
<b>4170-101-001</b> —For local assistance, Department of Ag- ing .....	6,312,000
Schedule:	
(a) 10-Nutrition.....	4,777,000
(1) 10.10-Congregate nutrition.....	4,493,000
(2) 10.20-Home deliv- ered meals.....	284,000
(b) 30-Supportive Services and Cen- ters (for match) .....	1,161,000
(c) 40-Special Projects.....	374,000
Provisions:	
1. The Director of the Department of Finance may authorize the transfer of funds from this item and Item 4170-101-890 to Items 4170-001-001 and 4170-001-890 no sooner than 30 days after writ- ten notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee of: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are avail- able for their support; and (4) the impact of any transfer on the level of services.	
2. The Director of the Department of Finance may authorize the transfer of funds among schedules within this item no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chair- person of the Joint Legislative Budget Commit- tee of: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; and (3) the impact of any; impact of any transfer on the level of services.	



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3. It is the intent of the Legislature that \$3,089,000 of the funds appropriated from the General Fund for congregate nutrition be used to provide additional meals without increasing the total cost of state administration or cost per meal above the 1982-83 level. In the event that additional federal funds from Title III of the Older Americans Act of 1965 or the United States Department of Agriculture become available, the necessary portion of this amount may be used to match the additional federal funds.
4. No Area Agency on Aging shall use state matching funds appropriated by this item for the purpose of program development, advocacy, or coordination activities.

4170-101-890—For local assistance, Department of Aging, payable from the Federal Trust Fund..... 65,435,000  
Schedule:

- |   |            |
|---|------------|
| (a) 10-Nutrition.....                             | 39,078,000 |
| (1) 10.10-Congregate<br>nutrition.....            | 32,548,000 |
| (2) 10.20-Home deliv-<br>ered meals.....          | 6,530,000  |
| (b) 20-Employment Service .....                   | 4,130,000  |
| (c) 30-Supportive Services and Cen-<br>ters ..... | 22,227,000 |

## Provisions:

1. Provisions 1 and 2 of Item 4170-101-001 are also applicable to this item.
2. Any additional federal funds made available to California in the 1983-84 fiscal year beyond those which are necessary to maintain the current level of service shall be made available to existing nutrition projects, provided that: (a) they have met or exceeded their current contract service level in the prior year grant period, and (b) they have a cash cost per meal which does not exceed the statewide average cost per meal by more than 5 percent, as determined separately for rural and urban areas by the California Department of Aging.
3. Except for Area Agencies on Aging receiving less than \$1,000,000 in the aggregate, funds appropriated by this item shall be restricted for transfer by the Area Agencies on Aging for the purposes of program development, advocacy, and coordination to one percent of each Area Agency's Title III allocation, pending the final

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- recommendation of the California Commission on Aging's report on administrative costs.
4. For Area Agencies on Aging receiving less than \$1,000,000 in the aggregate, funds appropriated by this item for the purpose of administration, program development, advocacy, and coordination shall be restricted to 20 percent of the total allocation.
  5. The Department of Aging shall allocate from the Older Americans Act funding not less than \$817,000 for local long-term care ombudsman programs, designated as such by the California Long-Term Care Ombudsman, to meet state obligations pursuant to Sections 304(d) (1) B and 307(a) (12) of the Older Americans Act.
  6. The Department of Aging shall make written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee by October 1, 1983, of the amount of any unexpended federal funds from prior years which will be carried over for expenditure in the 1983-84 fiscal year.
- 4170-490—Reappropriation, Department of Aging. On the effective date of this act, notwithstanding any other provision of law, \$2,800,000 of the unencumbered balance of the appropriation provided for in Chapter 1 of the Statutes of 1983, 1st Extraordinary Session, is reappropriated for the purposes provided for below, and shall be available for expenditure until June 30, 1984.
- (1) For transfer to and in augmentation of Item 4170-001-001, Budget Act of 1983, for the following purpose:
 

Special Projects, Senior Companion Program .....	2,000
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  - (2) For transfer to and in augmentation of Item 4170-101-001, Budget Act of 1983, for the following purposes:
 

Congregate Nutrition Programs ..	1,286,000
Special Projects, Senior Companion Program .....	125,000
Special Projects, Brown Bag Program .....	512,000
Senior Nutrition Volunteer Program operated by Area Agency on	

Item	Amount
Aging I .....	70,000
(3) For transfer to the Nutrition Reserve Fund, Revolving Loan Account.....	805,000
4180-001-001—For support of Commission on Aging ....	202,000
Provisions:	
1. The amount appropriated in this item for the California Senior Legislature shall be reduced by ½ of the total amount of any private contributions made to the commission for the California Senior Legislature which are in excess of \$33,000.	
2. The California Commission on Aging, in consultation with a task force appointed by the commission, shall report to the Joint Legislative Budget Committee and the fiscal committees of both houses on ways to reduce unnecessary administrative costs in both the State Department on Aging and the Area Agencies on Aging. The task force shall include: two representatives of the California Association of Nutrition Directors for the Elderly; two representatives of the California Long-Term Ombudsman Association; one representative of the Senior Legal Services Association; one representative of other Title IIIB Providers; and two representatives of Consumers-at-Large. The commission shall report its findings to the Legislature by November 1, 1983 and, upon legislative approval, the department shall implement the recommendations of the commission by December 1, 1983. It is the intent of the Legislature that this report shall seek to maximize the flow of state and federal dollars to nutrition and supportive services at the local level while maintaining efficient administrative control and coordination at the state and area agency levels.	
4180-001-890—For support of Commission on Aging, payable from the Federal Trust Fund.....	168,000
Provisions:	
1. The amount appropriated in this item shall not be reduced as a result of the reduction of funds for support of the Department of Aging, Item 4170-001-890, made pursuant to the provisions of Section 1321.195 of Title 45 of the Code of Federal Regulations.	
4200-001-001—For support of Department of Alcohol and Drug Programs .....	6,969,000

Item	Amount
Schedule:	
(a) 10-Alcohol Program.....	3,251,000
(b) 20-Drug Program .....	4,114,000
(c) 30.01-State Administration.....	4,113,000
(d) 30.02-State Administration—dis- tributed .....	—4,113,000
(g) Reimbursements .....	—396,000
Provisions:	
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-101-001.	
2. The Department of Finance may authorize the transfer of funds from this appropriation to the Health Care Deposit Fund for the State's share of expenditures of alcohol and/or drug abuse services provided to persons eligible under the California Medical Assistance Program.	
4200-001-890—For support of Department of Alcohol and Drug Programs, payable from the Federal Trust Fund .....	2,557,000
Schedule:	
(a) 10-Alcohol Program.....	1,091,000
(b) 20-Drug Program .....	1,466,000
Provisions:	
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-101-890.	
2. The Department of Finance may authorize the transfer of funds from this appropriation to the Health Care Deposit Fund for the State's share of expenditures of alcohol and/or drug abuse services provided to persons eligible under the California Medical Assistance Program.	
4200-101-001—For local assistance, Department of Al- cohol and Drug Programs.....	63,908,000
Schedule:	
(a) 10-Alcohol Program.....	33,315,000
(b) 20-Drug Program .....	33,093,000
(c) Reimbursements .....	—2,500,000
Provisions:	
1. The Department of Finance may authorize the transfer of funds from this appropriation to the Health Care Deposit Fund for the State's share of expenditures of alcohol and/or drug abuse services provided to persons eligible under the California Medical Assistance Program.	

Item	Amount
2. The Department of Finance may order, and the State Controller shall transfer such funds as are necessary between this appropriation and Department of Mental Health appropriation 4440-101-001 for purposes of reimbursing the costs of Local Assistance, for the Drug Program.	
4200-101-890—For local assistance, Department of Alcohol and Drug Programs, payable from the Federal Trust Fund .....	26,964,000
Schedule:	
(a) 10-Alcohol Program.....	9,351,000
(b) 20-Drug Program .....	17,613,000
Provisions:	
1. Provisions 1 and 2 of Item 4200-101-001 are applicable to this item.	
4220-001-001—For support of the Governor's Advisory Committee on Child Development Programs appointed pursuant to Section 8254 of the Education Code .....	130,000
4220-001-890—For support of the Governor's Advisory Committee on Child Development Programs, payable from the Federal Trust Fund .....	14,000
4260-001-001—For support of Department of Health Services .....	93,886,909
Schedule:	
(a) Personal Services.....	125,692,115
(b) Operating expenses and equipment .....	121,352,277
(c) Transfer to the Health Care Deposit Fund .....	35,750,666
(d) Reimbursements .....	—8,619,353
(e) Amount payable from the Health Care Deposit Fund .....	—102,025,676
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 4260-001-014) .....	—7,231,967
(g) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044) ..	—326,053
(h) Amount payable from the Energy and Resources Fund (Item 4260-001-190) .....	—431,067
(i) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-203) .....	—9,371,646
(j) Amount payable from the Hazardous Substances Account, General Fund (Item 4260-001-455) .....	—50,145,000

Item	Amount
(k) Amount payable from the Hazardous Substances Account (Chapter 1302, Statutes of 1982) .....	-1,500,000
(l) Amount payable from the Federal Trust Fund (Item 4260-001-890) ..	-7,740,683
(lx) Amount payable from the County Health Services Fund (Item 4260-001-898) .....	-764,704
(m) Amount payable from the Local Health Capital Expenditure Account (Item 4260-001-900) .....	-197,000
(n) Amount payable from the Victims Compensation Account (Item 4200-001-456) .....	-355,000
(p) Amount payable from Chapter 204, Statutes of 1982 .....	-200,000

Provisions:

1. Should any additional federal funds become available to support venereal disease programs currently operated pursuant to state law by the Department of Health Services, such funds shall be used in lieu of funds appropriated by this item for the same purpose to the extent consistent with federal law or regulations.
2. Departmental fees subject to the annual fee increase provisions of Chapter 1012, Statutes of 1980, shall be increased at a rate of 2.05 percent effective January 1, 1984.
3. The Department of Health Services shall submit quarterly reports on the Toxic Substances Control Division's progress in meeting the objectives established in the 1983-84 work plan. The report shall include: (a) work plan commitments achieved during that quarter, (b) changes to the work plan and justification for those changes, (c) summary information on enforcement actions undertaken against violators of hazardous waste laws and the division's success in achieving compliance, and (d) the results of the inspection and registration program for hazardous waste haulers. The report shall be due two months following the end of each quarter, and shall be submitted to the chairpersons of the fiscal committees, the appropriate policy committees, and the Joint Legislative Budget Committee.

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4. The Dental Request for Proposal (RFP) shall be reviewed by the Auditor General to ensure that the at-risk and other concepts of the existing program are considered in the development of the new RFP and that the final RFP shall be one that maximizes state savings while delivering quality service at least equal to that contained in the existing contract. The findings of the Auditor General's report shall be presented to the Legislature no later than August 31, 1983.

The department shall not issue a final RFP until September 1, 1983.

4260-001-014—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Hazardous Waste Control Account, General Fund.....

7,231,967

## Provisions:

1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Waste Control Account, General Fund.
2. \$200,000 of the amount appropriated by this item shall be transferred by the Department of Health Services to the Assembly Contingent Fund and shall be made available to the Assembly Office of Research to contract, in consultation with the Senate Office of Research, for the commission of a research study to assess the public health impact of the permeation and infiltration of pipe and water mains by chemicals. The study shall consist of two simultaneous research components:
  - (a) A literature search, which shall include the compilation of information from the following sources:
    - (i) Reports of the Lekkerkerk incident.
    - (ii) Recent laboratory studies on permeation.
    - (iii) Studies of drinking water in the Love Canal area.
    - (iv) Dutch studies of the permeation of pipe by methyl bromide.
    - (v) Experience of water utilities.
    - (vi) Information from pipe manufacturers.
  - (b) The development and implementation of an experimental protocol to assess:
    - (i) The permeability of various types of

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- pipe and water mains.
  - (ii) The infiltration potential of:
    - (1) Gasoline and related petroleum distillates.
    - (2) Solvents.
    - (3) Pesticides and herbicides.
  - (iii) Long and short term permeation rates.
  - (iv) Profiles of soil characteristics throughout the state, with emphasis on soil contamination near residential areas.
  - (v) Concentrations of contaminants in soil to which water supply lines are likely to be exposed in actual use.
  - (c) The study will assess the likelihood of adverse human response to permeation contamination of potable water and assign, by commonly agreed upon statistical methods, the risks to the population of the permeation.
  - (d) The study shall be completed by March 1, 1984, and the findings transmitted to the Joint Legislative Budget Committee, the fiscal committees of both houses, and the Assembly Committee on Consumer Protection and Toxic Materials. It is the intent of the Legislature that funds committed for this study shall not exceed \$200 000.
3. By October 1, 1983, the Department of Health Services shall either adopt a state cancer policy by regulation or report its reasons for not implementing the policy to the chairpersons of the fiscal committees and the appropriate policy committees and to the Chairperson of the Joint Legislative Budget Committee.
4. By October 1, 1983, the Department of Health Services shall.
- (a) Establish a new class series for the positions of Hazardous Substance Control Policy and Program Development Specialists and Manager.
  - (b) Complete open, nonpromotional examinations.
  - (c) Establish employment lists.
  - (d) Complete all personnel appointment procedures necessary to ensure the continuation of the Office of Program and Policy Development.



Item	Amount
4260-001-044—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Motor Vehicle Account, State Transportation Fund.....	326,053
4260-001-190—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Resources Account, Energy and Resources Fund.....	431,067
4260-001-203—For support of Department of Health Services, payable from the Genetic Disease Testing Fund .....	10,176,543
Schedule:	
(a) Support.....	9,371,646
(b) Loan repayment .....	804,897
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Genetic Disease Testing Fund.	
2. Funds appropriated in schedule (a) are for transfer to Item 4260-001-001.	
3. \$378,103 appropriated in this item shall be used to continue the implementation of the maternal serum alpha-fetoprotein screening test.	
4260-001-455—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Hazardous Substance Account, General Fund .....	50,145,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Hazardous Substances Account, General Fund.	
4260-001-456—For support, Department of Health Services, payable from the Victim Compensation Account, General Fund .....	355,000
Schedule:	
(a) For transfer to Item 4260-001-001 .....	43,000
(b) Victim compensation claims .....	312,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Victim Compensation Account, General Fund.	
4260-001-890—For support of Department of Health Services, payable from the Federal Trust Fund ....	200,539,751

Item	Amount
Schedule:	
(a) Special Projects .....	142,708,329
(b) Reimbursements .....	--16,289,000
(c) Transfer to Item 4260-001-001 .....	7,740,683
(d) Transfer to the Health Care Deposit Fund .....	66,379,739
Provisions:	
1. Funds appropriated in this item for support of public health programs shall be transferred to the Public Health Federal Fund.	
2. \$200,000 appropriated in this item shall be al- located to continue the surveillance and investi- gation of infant botulism and related diseases and their role in sudden infant death syndrome.	
4260-001-898—For support of the Department of Health Services, payable from the County Health Services Fund .....	1,161,704
Schedule:	
(a) For transfer to Item 4260-001-001 .....	764,704
(b) For transfer to Item 4260-101-001 .....	397,000
Provisions:	
1. The limitations of Item 9840-001-983 shall not apply to any deficiency expenditure authoriza- tion for the Department of Health Services pay- able from the County Health Services Fund.	
4260-001-900—For support of Department of Health Services, in lieu of the amounts which would other- wise be appropriated in the Local Health Capital Expenditure Account of the County Health Serv- ices Fund pursuant to Chapter 1351, Statutes of 1980, for transfer to Item 4260-001-001, payable from the Local Health Capital Expenditure Ac- count .....	197,000
Provisions:	
1. The limitations of Item 9840-001-983 shall not apply to any deficiency expenditure authoriza- tion for the Department of Health Services, pay- able from the Local Health Capital Expenditure Account.	
4260-011-890—For support of the Department of Health Services, payable from the Federal Trust Fund, for transfer to the Hazardous Substances Account (455) .....	(12,600,000)
4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program, pay- able from the Health Care Deposit Fund (912) af- ter transfer from the General Fund .....	1,999,034,495
(a) 50.10-Eligibility (County Adminis- tration) .....	57,182,004

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(b) 50.11-Benefits (Medical Care and Services) .....	1,932,299,052
(c) 50.50-Fiscal Intermediary Management .....	9,950,439
(d) Amount payable from County Health Services Fund (Item 4260-001-898) .....	- 397,000

## Provisions:

1. The amount authorized to be expended from this item shall fully cover the state's share of payments for medical care and services as defined in the Welfare and Institutions Code, county administration and fiscal intermediary services for the 1983-84 fiscal year; notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health Services.
2. After June 30, 1984, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation incurred pursuant to this item.

Notwithstanding other provisions of this act or other state law, up to \$45,402,899 in federal funds received as payments during 1983-84 for reduced federal sharing ratios related to prior-year expenditures under Section 14157 of the Welfare and Institutions Code for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care services as follows:

(a) 50.10-Eligibility County Administration.....	1,608,973
(b) 50.11-Benefits (Medical Care and Services) .....	43,106,900
(c) 50.50-Fiscal Intermediary Management .....	687,026

Notwithstanding other provisions of this act or other state law, up to \$7,265,736 in federal funds received as payments during 1983-84 for claims submitted for prior-year expenditures that were

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previously misclassified as sterilization procedures under Section 14157 of the Welfare and Institutions Code for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services.

Notwithstanding other provisions of this act or other state law, up to \$8,621,000 in reimbursements received from the Department of Social Services as payments during 1983-84 for health care services provided to refugees related to prior-year expenditures under Section 14157 of the Welfare and Institutions Code for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services.

3. Notwithstanding any other provision of law, any federal and county funds received under the provisions of Section 14157 of the Welfare and Institutions Code during the 1983-84 fiscal year, for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, made from funds transferred to the Health Care Deposit Fund from the General Fund in prior years, shall be transferred from the Health Care Deposit Fund to the General Fund. When a projected deficiency exists in the Medical Assistance Program, such funds, subject to Section 28.00 provisions, are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services, county administration and fiscal intermediary services.
4. Notwithstanding any other provision of law, both the Federal and non-Federal shares of any money recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are hereby appropriated and shall be expended as soon as practicable for medical care and serv-

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- ices as defined in the Welfare and Institutions Code.
5. Notwithstanding any other provision of law, accounts receivable, for recoveries as described in proviso 4 above, shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund.
  6. Notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn.
  7. The Department of Health Services shall reimburse hospitals operated by the University of California for medical teaching purposes, where the University is responsible for the operating costs of such a hospital, at rates for services to Medi-Cal patients which result in the minimum General Fund liability for the care of such patients.
  8. Without regard to fiscal year, the General Fund shall make a loan available not to exceed a cumulative total of \$45 million to be transferred as needed to the Health Care Deposit Fund to meet cash needs. The Department of Health Services shall report quarterly to the Department of Finance regarding loans and repayments made under this proviso. Such loans are subject to repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of \$45 million shall be processed in the manner prescribed by Section 16351 of the Government Code.
  9. Notwithstanding any other provision of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation which could result in increased costs in the Medi-Cal program only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication which revises the Medi-Cal program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.

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10. No funds appropriated by this item shall be used for payment to any provider of durable medical equipment under a pilot program in Fresno and Madera Counties operating pursuant to Article 7 (commencing with Section 14490) of Chapter 8 of Part 3 of Division 9 of the Welfare and Institutions Code, who sells its services or goods outside the geographic area of the pilot program without complying with the treatment authorization request procedure of the Department of Health Services.
11. Pursuant to Section 14154 of the Welfare and Institutions Code, the Department of Health Services shall continue the implementation of the County Administration Cost Control Plan and expand the provisions of the plan to control eligibility determination costs at county hospitals and all costs for other outstationed eligibility functions. Reimbursement to a county for outstationed eligibility functions shall be based solely on productivity standards applied to that county's welfare office.
12. Notwithstanding any other provision of law, the funds appropriated by this item shall be used to provide cost-of-living adjustments to county welfare departments for personal, and nonpersonal services, or to fund the amount of cost-of-living increases granted by counties which exceeded the levels specified in the State Budget Acts for the 1981-82 and 1982-83 fiscal years, not to exceed the percentage increase authorized by the Legislature for all counties in this item for the 1983-84 fiscal year.

The 1983-84 county administration cost control plan shall contain a provision which specifies that any county cost-of-living increase for personal and nonpersonal services which exceeds the percentage increase authorized by the Legislature shall be the sole fiscal responsibility of the county unless the excess costs are funded by permanent productivity increases, or in subsequent years the cost-of-living adjustments granted by counties are less than the percentage increase authorized by the Legislature.

The department shall not allocate, reallocate, or transfer unused portions of county cost-of-living funds between counties nor shall the

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- department use any funds to fund cost-of-living adjustments in excess of the percentage increase authorized by the Legislature in this item.
13. Recoveries of advances made to counties in prior years pursuant to Section 14153 of the Welfare and Institutions Code are hereby reappropriated to the Health Care Deposit Fund for reimbursement of those counties where allowable costs exceeded the amounts advanced. Recoveries in excess of the amounts required to fully reimburse allowable costs shall be transferred to the General Fund.
  14. The reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.
  15. The department shall not reimburse Los Angeles County Hospitals more than \$82 per application nor more than the total appropriated in this item for Los Angeles County Hospitals.
  16. The department shall develop and implement an amendment to the county administration cost control plan which would permanently reduce county administration allocations to reflect the savings that will result from MEDS implementation.
  17. The augmentation of amounts available for expenditure for any category shall not exceed 3 percent of the amount scheduled for that category, and any augmentation of amounts available for expenditure in any category shall be subject to Section 28.00 notification requirements.
  18. None of the funds appropriated by this item shall be used to pay for abortions. The exclusive means for paying for abortions shall be through the appropriations made in Items 4260-105-001 and 4260-105-890.
  19. The State Department of Health Services shall prepare and submit Medi-Cal program assumptions and estimates to the Department of Finance. The purpose of the assumptions and estimates shall be to clearly identify changes

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within the Medi-Cal program which have policy and/or fiscal implications, and to produce reliable forecasts of Medi-Cal expenditures.

Medi-Cal program assumptions and estimates shall be organized by and correspond to Budget Act and/or Budget Bill item numbers, separately identifying expenditures for (a) purchase of medical care and services, (b) rate increases; (c) county administration and (d) fiscal intermediary services. Such estimates and assumptions shall indicate state and federal as well as total funds expended.

The State Department of Health Services shall submit, by September 10 and March 1, to the Department of Finance for its approval, all assumptions underlying all Medi-Cal program estimates. The Department of Finance shall approve or modify, in writing, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not so approve or modify the assumptions by such date, the assumptions, as presented by the department, shall be deemed to be approved by the Department of Finance as of that date.

The Department of Health Services shall submit an estimate of Medi-Cal program expenditures to the Department of Finance by November 1, 1983 and April 20, 1984. All approved estimates and supporting data provided by the Department of Health Services or developed independently by the Department of Finance, shall be made available to the legislative fiscal committees following approval by the Department of Finance. However, such departmental estimates with supporting data shall be forwarded to the legislative fiscal committees not later than January 10 and May 15 in the event this information has not been released earlier.

Each Medi-Cal assumption shall contain a clear narrative description of the statutory, regulatory, or policy change or other change that has occurred or will occur which effects Medi-Cal program expenditures or which is of policy importance. Each assumption shall include a cost estimate which contains relevant workload, caseload, unit cost and other data or



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information needed to support the estimate.

The assumptions related to purchase of medical care and services shall include a section with a nontechnical description of the major variables used to produce a base projection. This section shall further contain an estimate of the fiscal impact of the use of such variables. The estimates related to purchase of medical care and services shall include current and budget year base projections of eligibles, users, expenditures and cost per user by quarter with sufficient past actual data to permit evaluation of such projections. Such projections shall be prepared by service category and aid category. The Department of Finance shall identify a high, mid, and low range of Medi-Cal service expenditures, which shall be accompanied by assumptions, when the estimates are released to the Legislature.

The assumptions and/or estimates related to fiscal intermediary services shall contain a narrative description of how such forecasts are prepared. Sufficient historical workload by claim type and expenditure data shall accompany the forecasts to permit evaluation. Change orders to the fiscal intermediary contract shall be fully described and costs estimated. In addition, important modifications to the Medi-Cal claims processing system not associated with change orders shall be described and, if appropriate, costs and/or savings estimated.

Assumptions and/or estimates related to Medi-Cal county administration costs shall contain a narrative description of how the forecast was prepared. Current and budget year estimates by county shall be prepared. Such estimates shall compare past actual and projected workload and expenditures in a format which will permit evaluation of forecasts. Expenditures for Los Angeles County hospital eligibility work shall be separately identified. Changes in expenditure estimates for individual counties resulting from allocation of funds or other factors shall be identified in subsequent estimates. Unallocated funds and funds for special projects and/or special problems shall be separately identified. The department shall compare budgeted and actual expenditures by

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county as soon as the information from county quarterly costs reports becomes available.

The estimates shall compare budgeted to implemented rate increases for the current year. Such comparisons shall be by provider category and shall compare budgeted to implemented increases in terms of percentage increases, date of implementation, and revised estimated cost.

20. When a date for public hearing has been established for a change in any program, rule, or regulation, or the Department of Finance has approved any communication revising any department program, the Department of Health Services shall notify the two fiscal committees and the Joint Legislative Budget Committee if the annual General Fund cost or savings of the proposed change is \$100,000 or more.
21. Change orders to the fiscal intermediary contract for amounts exceeding \$250,000 shall be approved by the Department of Finance not sooner than 30 days after written notification of the change order is provided to the chairperson of the committee in each house which considers appropriations, the chairperson of the committee in each house which considers bills relating to public health and welfare, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may designate.

If there are changes or potential changes in federal funding, the Department of Finance shall provide timely written notification of the changes to the chairperson of the committee in each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee. This notification shall include proposed corrective action, including an implementation schedule and whether the potential or actual change represents a decrease in federal funding.

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22. Any extension of the Medi-Cal fiscal intermediary contract with the Computer Sciences Corporation beyond the expiration date of February 29, 1984, shall not be effective until 30 days after notification by the Department of Finance to the fiscal committees and the Joint Legislative Budget Committee. This notification shall include an analysis of the costs and benefits of extending the contract.

23. (a) The dental request for proposal (RFP) shall be reviewed by the Auditor General to ensure that:

(1) The at-risk and other concepts of the existing program are considered in the development of the new RFP.

(2) The final RFP shall be one which maximizes state savings while delivering service of a quality at least equal to that contained in the existing contract.

(b) The findings of the Auditor General shall be presented to the Legislature no later than August 31, 1983.

(c) The department shall not issue a final RFP before September 1, 1983.

4260-101-890—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Health Care Deposit Fund (912) after transfer from the Federal Trust Fund ..... 1,997,628,288  
Schedule:

(a) 50.10-Eligibility (County Administration) ..... 61,132,000

(b) 50.11-Benefits (Medical Care and Services) ..... 1,910,522,200

(1) 50.11-Total Benefits ..... 1,940,744,200

(2) Reimbursements — 30,222,000

(c) 50.50-Fiscal Intermediary Management ..... 25,974,088

## Provisions:

1. Provisions 3 to 5, inclusive, and 9 to 21, inclusive, contained in Item 4260-101-001 are also applicable to this item.

4260-105-001—For abortions, Department of Health Services Medical Assistance Program, payable from the Special Financing Account in the General Fund ..... 13,317,000

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## Provisions:

1. This item shall be the sole source of general funds for abortions.
4. None of the funds appropriated by this item shall be used to pay for abortions, except under any of the following circumstances:
  - (a) Where the life of a woman would be endangered if the pregnancy would be allowed to continue, and when so certified under penalty of perjury by two physicians, one of whom, where practicable, is a specialist in the affected medical discipline, and documentation thereof is provided with the claim for payment.
  - (a.1) Where the pregnancy results from an act punishable under Section 261 of the Penal Code, and this act has been reported, within 60 days of its occurrence, to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs during the first trimester.
  - (b) Where the pregnancy results from an act punishable under Section 261.5 of the Penal Code, and the female is under 18 years of age, and the abortion is performed no later than the first trimester, provided the female's parent or guardian or, if none, an adult of the female's choice, is notified at least five days prior to the abortion by the physician who performs the abortion. Regulations governing the notice requirement shall be promulgated by the Director of Health Services.
  - (c) Where the pregnancy results from an act punishable under Section 285 of the Penal Code, and this act has been reported to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs not later than during the second trimester.
  - (d) Where it is determined by prenatal studies limited to amniocentesis, fetal blood sampling, fetal angiography, ultrasound, x-ray, or maternal blood examination that the woman will give birth to a child with a severe genetic or congenital abnormality.

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5. (a) The provider's claim for payment for abortion services shall be accompanied by documentation which specifies the circumstances under which the abortion was performed. Claims without this documentation shall not be paid.  
(b) In every case, prior to abortion, the provider shall make available to the woman appropriate counseling regarding the situation, complications, risks, benefits, and alternatives.  
(c) By May 1, 1984, the Department of Health Services shall provide the Legislature a report listing the number of abortions theretofore paid for during the fiscal year 1983-84 pursuant to this act. The report shall specify the number of abortions performed under each category, and further specify the reasons or conditions within each category which qualified the particular pregnancy for the abortion and payment pursuant to this provisions.
- 5.1. Nothing in this item shall be interpreted to prohibit payment for drugs or devices to prevent implantation of the fertilized ovum.
- 5.2. Limitation on payment for abortions provided for in this item shall apply only to abortions performed after August 15, 1983.
6. None of the funds appropriated by any other item in this act, other than Item 4260-105-890, shall be used to pay for abortions.
7. The Controller shall place all funds appropriated by this item into the Special Financing Account, which is hereby created in the General Fund. Henceforth, the director shall direct payment, and the Controller shall draw warrants for payments as allowed by this item, only from the Special Financing Account.
8. As promptly as possible, the director shall notify providers and beneficiaries of the restrictions imposed by this item. The restrictions upon providers and beneficiaries shall become effective as soon as practicable after they receive notice from the director.

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9. If any provision of this item or the application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.	
4260-105-890—For abortions, Department of Health Services Medical Assistance Program, payable from the Special Financing Account in the General Fund established pursuant to Item 4260-105-001, after transfer from the Federal Trust Fund .....	252,000
Provisions:	
1. This item shall be the sole source of federal funds for abortions.	
2. None of the funds appropriated by this item shall be used to pay for abortions except under the circumstances described in Provision 4 of Item 4260-105-001, as permitted by federal law.	
3. Provisions 5 to 5.2, inclusive, 8, and 9 of Item 4260-105-001 are also applicable to this item.	
4260-106-001—For cost-of-living increases, Department of Health Services, to be transferred to and in augmentation of programs upon approval of the Department of Finance, in accordance with the following Schedule .....	64,778,339
Schedule:	
(a) 11-Health Protection (for transfer to Item 4260-111-001) .....	178,000
(b) 20-Community Health Services (for transfer to Item 4260-111-001) .....	3,037,000
(c) 25-County Health Services (for transfer to Item 4260-111-001) .....	18,191,472
(d) 40-Rural Health (for transfer to Item 4260-111-001) .....	234,000
50-Medical Assistance .....	(43,137,867)
(e) 50.10-Eligibility (County Administration) (for transfer to Item 4260-101-001) .....	1,620,867
(f) 50.11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-001) .....	41,517,000
4260-106-890—For cost-of-living increases, Department of Health Services, to be transferred to and in augmentation of programs upon approval of the Department of Finance, in accordance with the following Schedule .....	43,333,446
Schedule:	
50-Medical Assistance .....	(43,333,446)

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(a) 50.10 Eligibility (County Administration) (For transfer to Item 4260-101-890) .....	1,759,746
(b) 50.11 Benefits (Medical Care and Services) (For transfer to Item 4260-101-890) .....	41,573,700
4260-111-001—For local assistance, Department of Health Services .....	1,000,210,322
Schedule:	
(b) 11-Health Protection .....	5,579,000
(c) 20-Community Health Services ....	97,393,000
(d) 25-County Health Services .....	889,443,322
(e) 40-Rural Health Services .....	7,795,000
Provisions:	
1. Program 11-Health Protection:	
(a) Should influenza vaccine, or funding for influenza vaccine, become available to the State, such resources or funds shall be used in lieu of equivalent funds appropriated from the General Fund for such purpose to the extent that the same target population is served.	
2. Program 20-Community Health Services:	
(a) Funds appropriated in this item for services to physically handicapped children shall be used in accordance with provisions of Article 2 (commencing with Section 248) of Chapter 2 of Division 1 of the Health and Safety Code, provided that any person who is eligible for and is receiving services under the program funded by this item shall not be denied services or suffer an interruption of services because of any relocation within this State.	
(b) Collections of family repayments (a) by CCS in excess of \$900,000 and (b) by GHPP in excess of \$70,000 shall be used to offset the General Fund appropriation to those programs.	
(c) The CCS Program shall require all CCS applicants who are potentially eligible for cash grant public assistance to apply for Medi-Cal eligibility prior to becoming eligible for CCS funded services, unless the individual declines to apply on the basis of known ineligibility under state law and the regulations promulgated thereunder.	

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- (d) The sum of \$350,000 is appropriated for the purpose of funding start-up costs of Adult Day Health Care Centers. These funds shall be used in accordance with the provisions of Chapter 478 of the Statutes of 1982. However, if SB 134 of the 1983-84 Regular Session is chaptered, the provisions of that bill shall apply to the appropriation.
- (e) The department shall promulgate regulations which require California Children's Services programs to use utilization review procedures established by Los Angeles County. Specifically, the regulations shall require: (1) periodic on-site visits for extended hospitalizations, at intervals of 30 to 60 days; (2) use of the length-of-stay criteria used by Los Angeles County.

3. Program 25. County Health Services:

- (a) The director shall withhold, in part or in whole, payment of County Health Services funds to a local jurisdiction, unless the reports specified in Section 16716 of the Welfare and Institutions Code are submitted to the department by November 15 of each fiscal year.

The department shall provide data and analysis of these reports by April 15 of each fiscal year to the chairpersons of the fiscal committees of the Legislature and the Joint Legislative Budget Committee.

- (b) To the extent savings are available from the County Health Services Fund, the director shall allocate the funds according to the following priorities:

1. Public health emergencies .....	500,000
2. Distressed county hospitals .....	350,000
3. Refugee health programs.....	450,000
4. Computerization of county information processing.....	250,000
5. County-clinic linkage projects	250,000
6. Elder care projects .....	400,000

If the funding applications of local jurisdictions request fewer funds by category than the amounts set forth above, the director may reallocate funds from one category to another. However, in reallocating funds, the director shall first consider the need for additional funds in the categories in the order of the priorities established above.



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(c) Of the amount appropriated by this item, \$1,-161,704 shall be for transfer to Item 4260-001-898 for support of the County Medical Services Program.	
4. The reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.	
4260-111-890—For local assistance, Department of Health Services, for transfer to the Public Health Federal Fund payable from the Federal Trust Fund .....	24,096,800
Schedule:	
(a) 20-Community Health Services ....	23,631,000
(b) 25-County Health Services .....	465,800
Provisions:	
1. Provisions (2) (a) and (2) (c) of Item 4260-111-001 are also applicable to this item.	
2. \$4,715,000 appropriated in this item shall be allocated to maternal and child health, to be expended on programs which meet the mandate of Chapter 1112 of the Statutes of 1982.	
3. \$100,000 shall be allocated to the primary care grants program to provide for cost-effective health services to persons who are not otherwise eligible for federal or state-subsidized programs as authorized in Section 1247 of the Health and Safety Code.	
4260-301-036—For capital outlay, Department of Health Services, payable from the Special Account for Capital Outlay, General Fund .....	565,000
Schedule:	
(a) 94.70.040-Autoclave Replacement—Phase IV—Berkeley Lab Facility.....	356,000
(b) 94.50.010-Minor Capital Outlay ....	57,000
(c) 94.70.030-Autoclave Replacement—Phase III—Berkeley Lab Facility .....	152,000
4260-301-189—For capital outlay, Department of Health Services, payable from the Energy Account, Energy and Resources Fund .....	68,000
Schedule:	
(a) 94.50.020—Minor Capital Outlay ..	68,000

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<b>4260-495—Reversion, Department of Health Services.</b> As of June 30, 1983, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made: <b>001-General Fund</b> (1) Chapter 578, Statutes of 1971, family planning. (2) Chapter 282, Statutes of 1979, implementation of county health services. (3) Chapter 331, Statutes of 1979, regionalized perinatal care systems. (4) Chapter 1153, Statutes of 1979, Huntington's disease research grants. (5) Chapter 277, Statutes of 1980, public health services. (6) Chapter 776, Statutes of 1980, Diethylstilbestrol research grants. (7) Chapter 1224, Statutes of 1980, pulmonary disease study.	
<b>4270-001-001—For support, California Medical Assistance Commission.....</b>	<b>991,316</b>
Schedule:	
(a) 10000-Personal Services .....	1,297,487
(b) 30000-Operating Expenses and Equipment .....	588,521
(c) Reimbursements .....	—894,692
Provisions:	
1. As of June 30, 1983, the unencumbered balance of the appropriation made in Section 60 of Chapter 328 of the Statutes of 1982 shall revert to the General Fund.	
2. Under the direction of the commission, the executive director of the commission shall be responsible for all staff activities, including planning, development and negotiation of contract services.	
<b>4300-001-001—For support of Department of Developmental Services .....</b>	<b>16,957,478</b>
Schedule:	
(a) 10-Community Services Program .....	9,643,284
(b) 20-State Hospital Services Program .....	8,154,194
(c) 35.01-Administration .....	17,797,478
(d) 35.02-Administration—Distributed.....	—17,797,478
(e) Reimbursements .....	—840,000

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Provisions:	
1. Under order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Item 4300-101-001 to provide for the continuing costs of fair hearings.	
4300-001-172—For support of Department of Developmental Services, Program 10 Community Services Program, payable from the Developmental Disabilities Program Development Fund .....	172,000
4300-001-890—For support of Department of Developmental Services, payable from the Federal Trust Fund .....	290,000
Schedule:	
(a) 10-Community Services Program	223,000
(b) 20-State Hospital Services Program .....	67,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-890.	
4300-101-001—For local assistance, Department of Developmental Services .....	234,603,450
Schedule:	
10.10-Regional Centers.....	(225,053,000)
10.10.010-Operations .....	(79,755,000)
(a) 10.10.010.010-Personal Services.....	65,434,000
(b) 10.10.010.020-Operating Expense and Equipment .....	14,321,000
10.10.020-Purchase of services .....	(145,298,000)
(c) 10.10.020.010-Out-of-home care ....	68,120,000
(d) 10.10.020.020-Day programs .....	31,484,000
(e) 10.10.020.030-Medical services .....	2,532,000
(f) 10.10.020.040-Camps and respite care .....	6,890,000
(g) 10.10.020.050-Other services .....	36,272,000
(g.1) 10.10.020.060-Transportation ..	(19,810,000)
(j) 10.20.030-Cultural center for the handicapped .....	135,000
(m) Special Adjustment-Cost of Living Increase.....	9,415,450
Provisions:	
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 4300-101-001 and Item 4300-111-001. Provided further, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit	

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Fund for the State's share of expenditures for developmental services provided to persons eligible under the California Medical Assistance Program.	
4. Notwithstanding any other provision of law, regional centers shall not provide regional center employees with a cost-of-living adjustment for salaries, wages, or benefits which exceeds the percentage amount granted by the Legislature in this act.	
5. Notwithstanding any other provision of law, the Director of the Department of Developmental Services, in consultation with the State Council on Developmental Disabilities, shall establish priorities for expenditure of funds budgeted for the regional center program. Priorities for categories (a) to (g), inclusive, insofar as is possible shall be consistent with the Lanterman Developmental Disabilities Services Act. Guidelines developed by the Department of Developmental Services, based on these priorities shall govern the authorization for and expenditure of funds to insure that program level is within budgeted authority. Compliance with priorities shall be monitored prospectively and by post-audit by the Department of Developmental Services.	
6. Upon order of the Department of Finance, the State Controller shall transfer such funds as necessary from item 4300-101-001 to item 4300-001-001 for costs of the Uniform Fiscal System. Implementation of this automation project will result in regional center operations savings which will be transferred to fund ongoing costs of the new system.	
7. Funds appropriated in category (m) for cost of living increases are to be allocated to categories (a), (b), (c), (d), (e), (f), (g), and (j).	
9. The Department of Finance shall, on or before June 30, 1984, reestimate and revert to the surplus of the General Fund any additional General Fund savings resulting from the licensure of ICF-DD(h) facilities and not previously taken into account.	
4300-101-036—For local assistance, Department of Developmental Services, Program 10.20.010, Community Program Development, payable from the Special Account for Capital Outlay .....	8,000,000

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## Provisions:

1. The funds appropriated are for the purpose of developing new community programs for state hospital residents, as specified in Item 430-301-036(b), provision 2, Budget Act of 1981.
2. The department shall be responsible for developing a detailed plan for the expenditure of up to \$8,000,000 for new community programs. The plan shall be completed, and approved by the Department of Finance, by September 15, 1983. The approved expenditure plan shall be submitted to the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee at least 30 days prior to the expenditure of any funds. The funds appropriated by this item shall be available for fiscal years 1983-84, 1984-85, and 1985-86.

The proposals submitted to the Joint Legislative Budget Committee shall conform with all the following policies:

- (a) The proposals shall be implemented through contracts with regional centers.
- (b) The new programs shall be developed by regional centers, in conjunction with clients, parents, state hospital staff, and specific service providers.
- (c) Interim reimbursement rates shall be based on negotiation and shall not preclude obtaining continuation funding from existing regional center or Medi-Cal sources.
- (d) The proposals shall result in savings to the General Fund.
- (e) The proposal shall include a detailed implementation timetable.
3. In the event that sufficient funds are not available to the Special Account for Capital Outlay (SAFCO) to fund the appropriations from (SAFCO), the Department of Finance shall transfer up to \$8,000,000 from the General Fund to (SAFCO) as required to fund the community programs specified by this item.

4300-101-172—For local assistance, Department of Developmental Services, Program 10, Community Services Program, payable from the Developmental Disabilities Program Development Fund.....

2,713,000

## Schedule:

- (a) 10.10.020.040-Camps and respite care ..... 543,000
- (b) 10.20.010-Program development .. 2,170,000

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4300-101-890—For local assistance, Department of Developmental Services, Program 20, State Hospital Services Program, payable from the Federal Trust Fund .....	834,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-001-890.	
4300-111-001—For local assistance, Department of Developmental Services, for State Hospitals .....	331,281,054
Schedule:	
(a) 20-State Hospital Services Program .....	428,141,543
(b) Reimbursements .....	— 96,988,489
(c) Special Adjustment— Cost-of-Living Increase .....	128,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-101-001, 4440-011-001, and 4440-101-001.	
2. The Department of Developmental Services' proposed allocations for level-of-care staffing in state hospitals that serve persons with developmental disabilities shall be submitted to the Department of Finance for review and approval in July and again on a quarterly basis. The July report and each quarterly report shall include an analysis of client characteristics of admissions and discharges in addition to information on any changes in characteristics of current residents. The Department of Finance shall also make available to the Joint Legislative Budget Committee a listing of all of the approved assumptions and the impact of each assumption, as well as all supporting data provided by the Department of Developmental Services or developed independently by the Department of Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared shall be forwarded to the Joint Legislative Budget Committee not later than January 15 or May 15 by the Department of Developmental Services, in the event this information has not been released earlier.	

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3. The Department of Developmental Services shall submit by January 1 and May 1 to the Department of Finance for its approval: (a) all assumptions underlying estimates of state hospital developmentally disabled and mentally disabled populations; and (b) a comparison of the actual and estimated population levels for the year to date. If the actual population differs from the estimated population by 50 or more, the department shall include in its reports an analysis of the causes of the change and the fiscal impact. The Department of Finance shall approve or modify the assumptions underlying all population estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by such date, the assumptions, as presented by the submitting department, shall be deemed to be accepted by the Department of Finance as of that date. The estimates of populations and the comparison of actual versus estimated population levels shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance.
4. The Departments of Developmental Services and Mental Health shall adopt and implement a 1983-84 non-level-of-care staffing plan. No vacant non-level-of-care position shall be filled in any state hospital until the Department of Finance has approved the plan. The plan shall:
  - (a) Prohibit the filling of any vacant non-level-of-care position which exceeds 95 percent of the department's proposed staffing standards, and provide that vacant positions in the classifications which exceed 100 percent of the staffing standard shall be reclassified and redirected to provide additional positions for classifications which have less than 95 percent of the staffing standards. Any specific exceptions granted must be approved by the Department of Finance.
  - (b) Provide for transfer, through attrition, of 29 non-level-of-care positions from Fairview State Hospital and 41 non-level-of-care positions from Metropolitan State Hospital, to other state hospitals on the basis of need. These numbers are subject to change upon completion of the non-level-of-care staffing

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standards or changes in population.	
(c) Provide that neither total personnel costs nor total non-level-of-care positions will increase in 1983-84 or 1984-85 as a result of implementing the plan.	
5. The departments shall further:	
(a) Develop position rosters which accurately reflect current state hospital staff distributions. A state hospital may fill vacant non-level-of-care positions after September 15, 1983 only if its position roster has been approved by the Department of Finance.	
(b) Maintain such records and statistics as are necessary to monitor implementation of, and compliance with, the plan.	
(c) By December 1, 1983, jointly submit a report to the fiscal committees of the Legislature. This report shall, in narrative and statistical form, describe the progress made in implementing non-level-of-care staffing standards.	
6. Each state hospital which serves mentally disabled clients shall have one physician position budgeted for its Office of Program Review.	
4300-301-036—For capital outlay, Department of Developmental Services, Special Account for Capital Outlay.....	6,825,000
Schedule:	
55.40—Napa State Hospital	
(c) 55.40.015.050—Fire and Life Safety and Environmental Improvements—RTC Building—Construction .....	6,582,000
55.20—Camarillo State Hospital:	
(f) 55.20.015.020—Fire and life safety and environmental improvements —Items to complete Phase I, construction.....	243,000
4300-301-942—For capital outlay, Department of Developmental Services, payable from the Special Deposit Fund, D O.E. Consent Order Proceeds Account.....	1,219,000
Schedule:	
55.15 Agnews State Hospital:	
(a) 55.15.110.931—Hot water and steam pipe insulation—East Campus—Construction.....	170,000



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(b) 55.15.110.932—Hot water and steam pipe insulation—West Campus—Construction .....	1,049,000	
4300-495—Reversion, Department of Developmental Services. As of June 30, 1983 the undisbursed balance in excess of any unliquidated encumbrances, and any such balance on deposit in the Architecture Revolving Fund, of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made: 036—Special Account for Capital Outlay		
(1) Item 4300-301-036-(b) Budget Act of 1981, Developmental Disabled Program—projects to complete renovations for 8,070 clients in the event proposed federal regulations are not adopted pursuant to the language of this act pertaining to this appropriation.		
942—Special Deposit Fund, D.O.E. Consent Order Proceeds Account		
(1) Item 4300-301-942-(d), Budget Act of 1982, Napa State Hospital, 55.40.060—Cogeneration System—Phase II—Construction.		
4440-001-001—For support of Department of Mental Health .....		25,147,250
(a) 10-Community Services .....	11,333,345	
(a.1) 10.30-Other Community Programs, Mental Health Social Services .....	13,785,867	
(b) 20-State Hospital Services .....	4,916,000	
(c) 35.01-Departmental Administration .....	16,242,631	
(d) 35.02-Distributed Departmental Administration .....	—16,963,345	
(e) Reimbursements .....	—740,000	
(e.1) Reimbursements—Mental Health Social Services .....	—3,427,248	
Provisions:		
1. A county may elect to directly provide protective social services in lieu of purchasing such services from the Department of Mental Health if the guidelines of the Department of Mental Health which were applied to counties so electing prior to July 1, 1980, are applied. It is the intent of this proviso to enable the transfer of state employees to county employment in such a way that personnel benefits are protected.		

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Upon order of the Department of Finance, the Controller shall transfer between this item and Item 4440-101-001 such funds as are necessary to enable the transfer of state employees to county employment in such a way that personnel benefits are protected.

2. Notwithstanding any other provision of law, the department shall not be required to propose private residential care rates to the Legislature in the 1983-84 fiscal year.
3. The department shall establish a local program cost control unit by reorganizing existing departmental resources. The local program cost control unit shall (1) identify local providers whose costs per unit of service exceed statewide averages, (2) identify county mental health department administrative costs that exceed statewide average unit costs, (3) develop budget requests based on county-specific fiscal information, (4) develop annual plans to correct unacceptable service and administrative costs, and (5) allocate and reallocate appropriated funds in a manner that furthers the objective of cost control. The Department of Finance shall review and approve annual cost control plans.

It is the intent of the Legislature that the department, in administering its cost control program, shall, to the extent feasible, direct available funds into services that will reduce the frequency of hospitalization of chronically mentally disabled persons.

4. To the extent feasible, the Department of Mental Health shall collect, from any existing and available source, facility specific data on length of stay and cost per episode by inpatient diagnosis for hospitals and psychiatric health facilities funded through the Short-Doyle program. This data shall be utilized by the department utilization review program to identify and establish norms for lengths of stay and cost per episode. County mental health programs shall furnish the department with such data as the department may request in order to comply with this requirement.

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5. The Department of Mental Health shall issue guidelines to improve data collection needed to effectively manage expenditure of local mental health program funds. At a minimum, the guidelines shall:

- (a) Not later than September 1, 1983, establish uniform definitions and time increments for reporting type and cost of services received by local mental health program clients.
- (b) Not later than September 1, 1983, establish a minimum set of data to be collected for each client served including, but not limited to, mode of service, service function code, units of service, admission and discharge dates, financial responsibility code, provider name and number, estimated cost by duration of unit of service, and client's case number, date of birth, sex and ethnicity, client's initials, legal class, functional level rating, and diagnosis.
- (c) Not later than July 1, 1984, require counties to furnish monthly data as described in paragraph (b) on an individual client basis to the Department of Mental Health. To ensure client confidentiality, this data shall not include client names.

Not later than December 15, 1983, the department shall begin making software modifications necessary to process and analyze the data received from the counties.

Not later than April 1, 1984, the department shall begin systems testing.

The department may secure from selected counties any data needed to facilitate system development and testing.

The director shall determine those counties which are not able to provide the data required in paragraph (b), and may permit these counties to delay data submission until such time as submission is determined by the director to be feasible.

4440-001-890—For support of Department of Mental Health, payable from the Federal Trust Fund .....	996,000
(a) 10-Community Services .....	920,000
(b) 20-State Hospital Services .....	76,000
4440-011-001—For support of the State Hospitals, Department of Mental Health .....	80,485,955

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## Schedule:

- |  |              |
|--|--------------|
| (c) 20.20 State Hospital Services-Penal Code Judicially Committed .... | 91,754,625   |
| (d) 20.30 State Hospital Services-Other .....                          | 4,878,000    |
| (e) Reimbursements-State Hospital Services .....                       | — 16,146,670 |

## Provisions:

1. The amounts appropriated above are for support of the hospitals for the mentally ill for judicially committed patients and patients committed pursuant to the Penal Code.
2. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 4200-101-001, 4300-111-001, 4440-121-001, 5240-001-001, and 5460-001-001.
3. The Department of Mental Health shall submit the proposed allocations for level-of-care staffing in the state hospitals that serve the mentally disabled, to the Department of Finance for review and approval on a quarterly basis beginning in July.
4. The Department of Mental Health shall submit by January 1 and May 1 to the Department of Finance for its approval (1) all assumptions underlying estimates of State hospital mentally disabled populations and (2) a comparison of the actual and estimated population levels for the year to date. If the actual population differs from the estimated population by 50 or more, the Department shall include in their reports an analysis of the causes of the change and the fiscal impact. The Department of Finance shall approve or modify the assumptions underlining all population estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by such date, the assumptions, as presented by the submitting department, shall be deemed to be accepted by the Department of Finance as of that date. The estimates of populations and the comparison of actual versus estimated population levels shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance. The Department of Finance shall also make available to the Joint Legislative Budget Com-

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- mittee a listing of all of the approved assumptions and the impact of each assumption, as well as all supporting data provided by the Department of Mental Health or developed independently by the Department of Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared, shall be forwarded to the Joint Legislative Budget Committee not later than January 15, and May 15, by the Department of Mental Health in the event this information has not been released earlier.
5. The Departments of Developmental Services and Mental Health shall adopt and implement a 1983-84 nonlevel-of-care staffing plan. No vacant nonlevel-of-care position shall be filled in any state hospital until the Department of Finance has approved the plan. The plan shall:
    - (a) Prohibit the filling of any vacant nonlevel-of-care position which exceeds 95 percent of the department's proposed staffing standards, and provide that vacant positions in the classifications which exceed 100 percent of the staffing standard shall be reclassified and redirected to provide additional positions for classifications which have less than 95 percent of the staffing standards. Any specific exceptions granted must be approved by the Department of Finance.
    - (b) Provide for transfer, through attrition, of 29 nonlevel-of-care positions from Fairview State Hospital and 41 nonlevel-of-care positions from Metropolitan State Hospital, to other state hospitals on the basis of need. These numbers are subject to change upon completion of the nonlevel-of-care staffing standards or changes in population.
    - (c) Provide that neither total personnel costs nor total nonlevel-of-care positions will increase in 1983-84 or 1984-85 as a result of implementing the plan.
  - 6 The departments shall further:
    - (a) Develop position rosters which accurately reflect current state hospital staff distributions. A state hospital may fill vacant nonlevel-of-care positions after September 15, 1983 only if its position roster has been approved by the Department of Finance.

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<ul style="list-style-type: none"> <li>(b) Maintain such records and statistics as are necessary to monitor implementation of, and compliance with, the plan.</li> <li>(c) By December 1, 1983, jointly submit a report to the fiscal committees of the Legislature. This report shall, in narrative and statistical form, describe the progress made in implementing nonlevel-of-care staffing standards.</li> </ul>	
7. One position in each hospital performing the program review activity shall be a physician.	
8. The Department of Mental Health shall provide a report to the Legislature by January 1, 1984, detailing the design of the experimental program required pursuant to Sections 1364 and 1365 of the Penal Code.	
<b>4440-101-001—For local assistance, Department of Mental Health.....</b>	<b>345,062,036</b>
Schedule:	
<ul style="list-style-type: none"> <li>(a) 10.10.010-Community Residential Treatment System..... 15,702,000</li> <li>(b) 10.10.020-Other Treatment ..... 293,621,000</li> <li>(c) 10.20-Community Outreach ..... 35,944,000</li> <li>(d) 10.30-Other Community Programs ..... 30,839,036</li> <li>(f) Reimbursements-Community Services ..... -40,931,000</li> <li>(g) Special Adjustment-Cost of Living Increase ..... 9,887,000</li> </ul>	
Provisions:	
1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Mental Health, and in addition, any amounts transferred from the Health Care Deposit Fund shall augment and be available for expenditure for the purposes specified above.	
2. The Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.	

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3. Upon order of the Department of Finance, the Controller shall transfer between this item and Item 4440-121-001 those funds which are necessary to provide for overuse of allocated state hospital days. Other transfers between this item and Item 4440-121-001 may be made pursuant to Section 28.00.
4. County Short-Doyle planning estimates, allocations or reallocations to counties shall be approved by the Department of Finance and certified by the Department of Mental Health as to the source and availability of funds, and that such action would not create a deficiency.
5. The department may allocate \$4.97 million plus the cost-of-living provided local mental health services, from the General Fund to support patch programs only to the extent that federal funds are not available for the programs in 1983-84. In the event that federal funds do become available, the department shall revert that amount to the General Fund.
6. The department shall reimburse county claims only if the claim is submitted within 150 days of the end of the month in which service was delivered.
7. The department shall make quarterly adjustments to local mental health services allocations to the extent that the department's projections indicate that a county will use more state hospital days than the department has allocated to it. The department may authorize counties to establish agreements pooling state hospital days, but shall make quarterly adjustments to their allocations if the department's projections indicate that the counties' state hospital use will exceed their combined total.
8. The Department of Mental Health shall submit quarterly to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee all of the following information: (1) local mental health expenditures by county, (2) any changes to county mental health allocations, and (3) all requests for new county mental health programs, together with the action taken on such requests by the Department of Mental Health.

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<p>9. One-half the amount appropriated for the Primary Prevention Project shall be used to continue projects begun in the 1982-83 fiscal year and one-half shall be allocated by the Department of Mental Health to school districts successfully competing through a request-for-proposal procedure. Continuation projects and new projects shall be performed in compliance with Chapter 1083 of the Statutes of 1981.</p> <p>No more than 8 percent of the amount appropriated may be used by the Department of Mental Health for program administration and training.</p> <p>The amount of the appropriation shall be reduced by any amount received pursuant to Chapters 1280 and 1289 of the Statutes of 1982.</p>	
<p>4440-101-890—For support of Department of Mental Health, Program 10, Community Services, payable from the Federal Trust Fund.....</p> <p>Provisions:</p>	13,554,000
<p>1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code. In addition, any amounts transferred from the Health Care Deposit Fund shall augment and be available for expenditure for these purposes.</p> <p>2. The Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.</p> <p>3. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4200-101-890.</p> <p>4. County Short-Doyle planning estimates, allocations or reallocations to counties shall be approved by the Department of Finance and certified by the Department of Mental Health as to the source and availability of funds, and that such action would not create a deficiency.</p>	



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5. The Department of Mental Health may authorize advance payments of federal ADAMH block grant funds on a monthly basis to the counties for grantees. Such advance payments may not exceed one-twelfth of the individual grant award for 1983-84. No General Fund money may be used in making grant awards under the provisions the federal ADAMH block grant.
6. The least possible amount of block grant funds shall be utilized for purposes of administration at both the state, local and direct provider levels. The department's administrative expenditures shall not exceed 10 percent of any block grant. A preliminary estimate of all projected 1983-84 state and local administrative expenditures shall be submitted by the affected departments to the Legislature by January 30, 1984, and a final report by April 1, 1984. These estimates shall include a definition of direct, as well as indirect, administrative costs, and shall include an indication of state General Fund as well as federal resources used in support of administration for the block grant and directly related programs. Uniform for definitions and proposed limitations on all state, local and direct provider administrative expenditures during the fiscal year 1984-85 shall be submitted by affected departments in conjunction with the fiscal year 1984-85 Governor's Budget. These proposals shall reflect state General Fund as well as federal resources proposed to support administrative expenditures for block grant and directly related programs during fiscal year 1984-85.

**4440-121-001**—For local assistance, Department of Mental Health, 20.10—State Hospital Services, Lanterman-Petris-Short Act .....

**128,707,203**

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Items 4300-111-001, 4440-011-001, and 4440-101-001 for overuse of state hospital days. Other transfers of funds between this item and Item 4440-101-001 shall be subject to the provisions of Section 28.00.

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2. The Department of Mental Health shall, within existing resources, implement a utilization review program in the state hospitals providing Short-Doyle services.

The program shall meet the standards and criteria set forth in Short-Doyle program utilization review regulations filed with the Secretary of State, and shall comply with utilization review standards and guidelines issued by the Department of Mental Health. Reports justifying administrative stays shall be made quarterly to the Director of Mental Health. The Department of Mental Health shall monitor state hospital compliance in the same manner used to monitor local program facilities.

3. The Departments of Developmental Services and Mental Health shall adopt and implement a 1983-84 non-level-of-care staffing plan. No vacant non-level-of-care position shall be filled in any state hospital until the Department of Finance has approved the plan. The plan shall:

- (a) Prohibit the filling of any vacant non-level-of-care position which exceeds 95 percent of the department's proposed staffing standards, and provide that vacant positions in the classifications which exceed 100 percent of the staffing standard shall be reclassified and redirected to provide additional positions for classifications which have less than 95 percent of the staffing standards. Any specific exceptions granted must be approved by the Department of Finance.
- (b) Provide for transfer, through attrition, of 29 non-level-of-care positions from Fairview State Hospital and 41 non-level-of-care positions from Metropolitan State Hospital, to other state hospitals on the basis of need. These numbers are subject to change upon completion of the non-level-of-care staffing standards or changes in population.
- (c) Provide that neither total personnel costs nor total non-level-of-care positions will increase in 1983-84 or 1984-85 as a result of implementing the plan.

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4. The departments shall further:
    - (a) Develop position rosters which accurately reflect current state hospital staff distributions. A state hospital may fill vacant non-level-of-care positions after September 15, 1983 only if its position roster has been approved by the Department of Finance.
    - (b) Maintain such records and statistics as are necessary to monitor implementation of, and compliance with, the plan.
    - (c) By December 1, 1983, jointly submit a report to the fiscal committees of the Legislature. This report shall, in narrative and statistical form, describe the progress made in implementing non-level-of-care staffing standards.
  5. One position in each hospital performing the program review activity shall be a physician.
- 4440-301-036—For capital outlay, Department of Mental Health, payable from the Special Account for Capital Outlay ..... 7,746,000
- Schedule:
- 55.35 Metropolitan State Hospital:
- (cx) 55.35.015.020—Fire and life safety, environmental improvements and air conditioning—Units 401, 403, 405, 407, 409, 411, 413, and 415 working drawings and construction ..... 7,746,000
- 4440-495—Reversion, Department of Mental Health. Notwithstanding any other provision of law, as of June 30, 1983, the undisbursed balance in excess of any unliquidated encumbrances and any such balance on deposit in the Architecture Revolving Fund for the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:
- 036—Special Account for Capital Outlay
- (1) Item 4440-301-036 (f), Budget Act of 1982—Patton State Hospital—security improvements—preliminary plans, working drawings and construction.
- 5100-001-001—For support of Employment Development Department ..... 53,853,000
- Schedule:
- (a) 10-Employment and Employment Related Services..... 42,924,000

Item	Amount
(b) 20-Tax Collections and Benefit Payments .....	14,677,000
(c) 30.01-General Administration.....	26,388,000
(d) 30.02-Distributed General Administration .....	-26,388,000
(e) Reimbursements .....	-3,223,000
(f) AFDC Grant Diversion reimbursements from Item 5180-101-001 .....	525,000

Provisions:

1. The State Controller shall transfer funds appropriated by this item only at such times as federal funds are deposited in the Unemployment Administration Fund and no transfer so made shall exceed 12.5 percent of the amount of federal funds so deposited; and provided further, that the amount available for transfer shall be reduced by the amount in cash or in-kind available from other sources as the State's share of the Work Incentive Program (WIN), as determined by the Employment Development Department and certified to the State Controller.
2. The amount of unexpended funds from the Public Works Employment Act of 1976 available during 1983-84 shall be transferred as a revenue to the General Fund.
3. In the event that contractors request maximum reimbursement for all placements but place less than 100 participants, any savings in funds appropriated for implementation of the California Welfare Employment Skill Training Act shall revert to the General Fund.
4. State funds shall not be used to fund any youth employment and training program which is eligible for federal funds unless all the federal funds have been obligated. Any unused portion of the state appropriation shall revert to the General Fund on June 30, 1984.
5. Notwithstanding any other provision of law, the Unemployment Insurance Program, Unemployment Compensation Disability Insurance Program, Employment Services Program, Employment Preparation Program, Work Incentive Program, and the Employment Training Panel shall be exempt from hiring freezes regardless of whether the freeze is pursuant to statute or implemented by Executive Order.

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6. The Employment Development Department shall submit to the Joint Legislative Budget Committee by October 1, 1983, a proposal for the evaluation of performance measures used for state-administered employment and training programs and recommendations for specific performance measures that allow interprogram comparisons of cost and effectiveness. The Joint Legislative Budget Committee shall review the proposal and recommendations by November 1, 1983. The department shall resubmit within one month a revised proposal which accommodates any objections which the committee may have. The department shall then contract with a reputable firm or institution to carry out the study. The completed evaluation with recommendations shall be submitted to the Joint Legislative Budget Committee by October 1, 1984.
  7. Up to \$400,000 of the funds appropriated in this item shall be provided as reimbursements to Item 8940-001-001 for the California Innovative Military Projects and Career Training (IMPACT) Program, except that these funds shall not be provided to the Military Department as reimbursements and shall be available to the Employment Development Department for expenditure for the Employment Preparation Program to the extent that the Military Department receives from local agencies funds to offset costs scheduled in Item 8940-001-001 (g.1).
  8. The funds specified in category (f) shall be made available for expenditure for the purposes of any one or more of the following bills: SB 144, SB 963, or AB 861; but if and only if one or more of the bills is enacted by the Legislature and is operative during the 1983-84 fiscal year.
- 5100-001-185—For Support of Employment Development Department, payable from the Employment Development Contingent Fund ..... 10,848,000
- Schedule:
- (a) 10-Employment and Employment  
Related Services..... 1,013,000
  - (b) 20-Tax Collections and Benefit  
Payments ..... 8,856,000
  - (c) 30.01-General Administration..... 979,000

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## Provisions:

1. The department shall use up to \$1,013,000 from the Employment Development Department Contingent Fund to support the Displaced Workers Program.
2. The department shall not use the Employment Development Department Contingent Fund for any capital outlay purposes in 1983-84.

5100-001-514—For support of Employment Development Department, payable from the Employment Training Fund .....

55,000,000

## Schedule:

- (a) 10-Employment and Employment Related Services..... 53,055,000
- (b) 20-Tax Collections and Benefit Payments ..... 1,945,000

## Provisions:

1. \$626,000 appropriated in category (b) shall be expended for the collection of the Employment Training Tax no sooner than 30 days after notification, in writing, of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee, or no sooner than a lesser time which the chairperson of the committee or his or her designee may in each case determine.
2. \$665,000 appropriated in category (a) shall be expended for Employment Training Panel Activities no sooner than 30 days after notification, in writing, of the necessity therefor to the chairperson of the Joint Legislative Budget Committee, or no sooner than a lesser time which the Chairperson of the committee or his or her designee may in each case determine.
3. Any unexpended moneys in the Employment Training Fund on June 30, 1983, shall remain available for allocation, without regard to fiscal years, by the Employment Training Panel for job training contracts and shall not be reverted to the Unemployment Insurance Fund.
4. Twenty positions, costing \$1,534,000, are authorized effective July 1, 1983.
5. An additional 10 positions, costing no more than \$374,000, are authorized upon notification of the Department of Finance by the Employment Training Panel of the need for these positions, which notification shall include workload data.

Item	Amount
5100-001-588—For support of Employment Development Department, Tax Collections and Benefit Payments, Program 20, payable from the Unemployment Compensation Disability Fund .....	48,251,000
5100-001-870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal .....	377,540,000
Schedule:	
(a) 10-Employment and Employment Related Services .....	147,575,000
(1) 10-Employment and Employment Related Services ....	170,421,000
(2) 10-Reimburse-ments .....	—22,846,000
(b) 20-Tax Collection and Benefit Payments .....	229,965,000
(1) 20-Tax Collection and Benefit Payments .....	232,352,000
(2) 20-Reimburse-ments .....	—2,387,000
(c) 30.01-General Administration .....	0
(1) 30.01-General Administration .....	182,000
(2) 30.01-Reimburse-ments .....	—182,000
5100-001-871—For support of Employment Development Department, Tax Collections and Benefit Payments, Program 20, payable from the Unemployment Fund—Federal, not subject to the provisions of Section 28 .....	2,058,406,000
5100-001-979—For support of state programs under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund .....	62,545,000
Schedule:	
(a) Incentive and Technical Assistance .....	12,107,000
(b) Older Workers .....	6,053,000
(c) Educational Linkages .....	16,143,000
(d) Administration .....	10,089,000
(e) Displaced Workers .....	18,153,000

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<b>Provisions:</b>	
1. Funds appropriated by this item shall be disbursed only with the approval of the State Job Training Coordinating Council. The council shall be deemed to have approved the disbursement of funds when the Governor approves a decision of the council specifying a budget for an authorized program or activity and designating the department or agency responsible for the expenditure of the budgeted funds.	
5100-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer ..... (2,435,946,000)	
<b>Schedule:</b>	
(a) For transfer to the Unemployment Federal Fund (871) ..... 2,058,406,000	
(b) For transfer to the Unemployment Administration Fund (870) 377,540,000	
5100-101-979—For local assistance under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund ..... 231,826,000	
<b>Schedule:</b>	
(a) Adult and Youth Training Programs ..... 157,390,000	
(b) Summer Youth Programs ..... 74,436,000	
5100-301-588—For 80.37-Minor Capital Outlay, Employment Development Department, payable from the Unemployment Compensation Disability Insurance Fund ..... 193,000	
5100-301-870—For 80.37-Minor Capital Outlay, Employment Development Department, payable from the Unemployment Administration Fund—Federal .... 912,000	
<b>Provisions:</b>	
1. Of the amount appropriated by this item, an amount not to exceed \$205,000 may be used for the following three alteration projects:	
(1) Los Angeles Appeals Office.	
(2) Mail distribution centers.	
(3) Employment service automation.	
2. Prior to work on security gates at Site 3, a security study shall be submitted to the Joint Legislative Budget Committee, showing that these gates would be effective.	
5100-301-890—For Minor Capital Outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal ..... (912,000)	



Item	Amount
5160-001-001—For support of Department of Rehabilitation.....	16,216,000
Schedule:	
(a) 10-Vocational Rehabilitation Services .....	18,345,000
(b) 20-Habilitation Services Program .....	1,424,000
(c) 30-Support of Community Facilities.....	273,000
(d) 40.01-Administration .....	10,152,000
(e) 40.02-Distributed Administration..—	10,152,000
(f) Reimbursements.....	—3,826,000
Provisions:	
1. (a) It is the intent of the Legislature that Project Interdependence be continued in the Department of Rehabilitation. The primary goal of Project Interdependence shall be to demonstrate that effective cooperation between state agencies and the private sector will enhance services to disabled students in the California public education system by improving their career choices and employment opportunities. This goal shall be accomplished in part by encouraging the full integration of disabled students into all school activities. These activities shall include, but shall not be limited to, work experience programs, on-the-job training programs, career counseling, and occupational information services.	
All disabled students served in the project shall be Department of Rehabilitation clients to assure that Federal Vocational Rehabilitation Act funds can be used for the project. The Individual Written Rehabilitation Plan (IWRP) of each disabled student participating in the project will be amended to include rehabilitation services provided by the project. All students who are non-VR clients will be served in the project using private contributions and funds from other state agencies participating financially in the project.	
(b) The project shall be operated in full conformance with all applicable federal and state laws, regulations, and guidelines.	
(c) By September 1, 1983, the Departments of Rehabilitation and Education shall enter into an interagency agreement, which shall govern the operation of the project. The details of the interagency agreement shall	

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- be outlined in supplemental language.
- (d) The project director shall prepare an annual plan as part of the interagency agreement projecting the activities, budget, individuals responsible for meeting program objectives, and expected outcomes of the project to meet the mandates of the Departments of Rehabilitation and Education.
  - (e) Beginning April 1, 1984, the project director shall report to the Legislature annually, regarding:
    - (i) Compliance with the utilization of moneys set forth in the budget herein.
    - (ii) Achievements, and problems encountered in the administration, financing, and operation of the project.
    - (iii) Follow-through and involvement of professional staff from the Departments of Rehabilitation and Education.
    - (iv) The impact upon individuals served, benefits realized to schools and private corporations involved, and public attitude change.
  - (f) A public/private partnership Project Interdependence Board shall be maintained to provide policy oversight and prospective annual review of fiscal and program planning, and to design and assist in public and private financial support.
2. The Director of the Department of Finance shall determine whether the federal Rehabilitation Services Administration (RSA) has notified the state in writing that the Department of Rehabilitation must authorize and certify on an individual client basis the provision of reader and interpreter services to the department's clients who attend the University of California, the California State University, or the California Community Colleges, whenever those services are supported by federal funds made available pursuant to Section 110 of the Rehabilitation Act of 1973. If the director determines that the RSA has imposed this requirement, the director shall revert to the General Fund \$158,000 of the amount scheduled in Item 5160-001-001, and revert to the Federal Trust Fund \$630,000 of the

Item	Amount
amount scheduled in Item 5160-001-001, and revert to the Federal Trust Fund \$630,000 of the amount scheduled in Item 5160-001-890. If the director determines that the RSA has not imposed this requirement, then the department shall reimburse the state's institutions of higher education for reader and interpreter services provided to the department's clients, as follows: Schedule:	
(a) University of California: Item 6440-001-001—up to \$76,000	
(b) California State University: Item 6610-001-001—up to \$349,000	
(c) Community Colleges: Item 6870-101-001—up to \$363,000	
3. It is the intent of the Legislature that the establishment of service area lines in the Los Angeles Plan shall be reviewed and approved by the Director of the Department of Rehabilitation.	
5160-001-890—For support of Department of Rehabilitation, payable from the Federal Trust Fund .....	73,768,000
Schedule:	
(a) 10-Vocational Rehabilitation Services .....	72,937,000
(b) 30-Support of Community Facilities .....	831,000
5160-101-001—For local assistance, Department of Rehabilitation .....	43,999,000
Schedule:	
(a) 10-Vocational Rehabilitation Services .....	196,000
(b) 20-Habilitation Services Program .....	39,764,000
(c) 30-Support of Community Facilities .....	4,039,000
Provisions:	
1. The amount appropriated in this item for support of independent living centers shall not be awarded to any center which does not provide a 10 percent cash match from nonstate sources, except for those centers which have been in operation for two years or less.	
5180-001-001—For support of Department of Social Services .....	48,397,000
Schedule:	
(a) 10-Welfare Program Operations ..	15,362,000
(b) 20-Social Services Programs .....	12,785,000
(c) 30-Community Care Licensing ....	14,854,000
(d) 40-Disability Evaluation Program ..	6,355,000
(e) 50-Services to Other Agencies .....	6,288,000

Item	Amount
(f) 60.01-Administration .....	51,302,000
(g) 60.02-Distributed—Administra- tion .....	—51,302,000
(h) Reimbursements .....	—7,247,000
(i) Suspense Account.....	0
Provisions:	
1. The Director of Finance may authorize the transfer of General Fund moneys from Item 5180-001-001 to Item 5180-161-001, Program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.	
2. Of the funds appropriated by this item, \$18,900 are for tort payments (attorney fees).	
3. By October 1, 1983, the Department of Social Services shall provide the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of each house, with the following:	
(a) An analysis of the Community Care Licensing fee system recommended by the Legislative Analyst in his analysis of the 1983 Budget Bill. This analysis shall include: (1) an estimate of the revenue that would be generated by such a fee system, assuming its implementation on July 1, 1984; (2) an estimate of the costs of collecting such a fee; and (3) an estimate of the effect of such a fee on the community care industry and its clients.	
(b) A proposal for a community care fee based on a single application fee and a single licensing fee. This proposal shall include: (1) an estimate of the revenue which would be generated by such a fee system assuming its implementation on July 1, 1984; (2) an estimate of the costs of collecting such a fee; and (3) an estimate of the effect of such a fee on the community care industry and its clients.	
(c) A comparison of the fee systems described in paragraphs (a) and (b) above, and the department's conclusions regarding which system should be adopted.	

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4. The Office of Child Abuse Prevention shall enter into contracts pursuant to the provisions of Chapter 1398, Statutes of 1982 in the 1983-84 budget year on a twelve-month basis.

It is the intent of the Legislature to allow a full calendar year of funding for all first year contracts. Furthermore, contracts signed in the 1984-85 budget year, and subsequent years, shall be annualized to be effective from the beginning date of the contracts to June 30th of each year.

5. Any counties which have not selected projects by September 1, 1983, shall revert their allocation to the Office of Child Abuse Prevention for state administration.

5180-001-866—For support of Department of Social Services, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund Schedule: 103,468,000

- |  |            |
|--|------------|
| (a) 10-Welfare Program Operations ..   | 27,390,000 |
| (b) 20-Social Services Programs .....  | 4,458,000  |
| (c) 30-Community Care Licensing ....   | 1,407,000  |
| (d) 40-Disability Evaluation Program   | 70,076,000 |
| (e) 50-Services to Other Agencies..... | 137,000    |
| (f) Suspense Account .....             | 0          |

## Provisions:

1. The Director of Finance may authorize the transfer of Federal Funds from Item 5180-001-866 to Item 5180-161-866, Program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.

5180-101-001—For Local Assistance, Department of Social Services, Payments for Children, Program 10.04 ..... 1,332,883,000

## Schedule:

- |  |               |
|--|---------------|
| (a) 10.04.005-Aid to Families with Dependent Children .....                  | 1,314,004,000 |
| (b) 10.04.010-Child Support Incentives.....                                  | 12,681,000    |
| (1) For Transfer to<br>Item 5180-101-919.. (585,000)                         |               |
| (2) For Transfer to Item<br>5180-101-957..... (12,096,000)                   |               |
| (c) 10.04.015-Aid for Adoption of Children/Adoption Assistance Program ..... | 6,198,000     |

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## Provisions:

1. No funds appropriated by this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services which adds to the cost of any welfare program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter which would increase the costs of a welfare program, the Director of Finance shall consider the amount of the proposed increase on an annualized basis, the effect such change would have on the expenditure limitations for such program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

Notwithstanding the provisions of Sections 26.00 and 28.00, the availability of funds contained in this item for welfare rules, regulations, or all-county letters which add to program costs funded from the General Fund in excess of \$500,000 on an annual basis, and are not (a) specifically required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Director of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Notwithstanding the provisions of Sections 26.00 and 28.00, that welfare rules, regulations or all-county letters which add to program costs in this item funded from the General Fund in excess of \$500,000 on an annual basis and are the result of a federal regulation shall be approved by the Director of Finance not sooner than 30 days after notification in writing of the necessity

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therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Funds appropriated in this item are for welfare programs as they exist on July 1, 1983, consisting of state and federal statutory law, regulations, and court decisions, if funds necessary to carry out such decisions are specifically appropriated in this act.

For purposes of this provision "welfare" shall mean those program elements under "Welfare Program Operations," as found in the Governor's Budget and consistent with definitions used in the California Fiscal Information System (CFIS)

2. The Department of Social Services shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth herein, and so that the amount authorized to be expended in program 10.04, Aid to Families with Dependent Children Program shall fully cover the State share of aid payments and for services under such programs for the 1983-84 fiscal year.
3. There is hereby established for the next two quality control review periods, a dollar error rate standard of 4 percent, pursuant to Section 15200.4 of the Welfare and Institutions Code.

For the purposes of state sanctions pursuant to Section 15200.4 of the Welfare and Institutions Code, the error rate estimate that shall be used to measure the quality performance of each county shall be the low point estimate of the confidence interval estimated by combining the results from the two quality review samples conducted during the two subsequent quality review periods.

Amounts realized from the counties as the result of a state fiscal sanction shall first be applied as an offset to the state's share of Program 10.04, Payments for Children. To the extent that this application results in a surplus to the General

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Fund appropriation for that program, such surplus shall revert to the General Fund.

4. The Director of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued in Program 10.04, Payments for Children, as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a court decision, during the 1983–84 fiscal year which are within or in excess of amounts appropriated in this act for that year.

If the Director of Finance determines that the estimate of expenditures will exceed the expenditures authorized for program 10.04, Payments for Children, the director shall so report to the Legislature. At such time as the report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

5. Notwithstanding Chapter 1 of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$85,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs for the Aid to Families with Dependent Children Program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.
6. The Department of Social Services shall submit, by September 10 and March 1, to the Department of Finance for its approval, all assumptions underlying all estimates related to the (1) average monthly caseloads for each of the categorical aid programs, (2) average grant for each of the categorical aid programs, (3) total estimated expenditures for each of the categorical aid programs, and (4) savings or costs associated with all regulatory or statutory changes.

The Department of Finance shall approve or modify the assumptions underlying all estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by such date, the as-



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sumptions as presented by the submitting department shall be deemed to be accepted by the Department of Finance as of that date.

Assumptions shall be released to the legislative fiscal committees immediately following approval or modification by the Department of Finance. The Department of Social Services shall identify those premises which (a) have been discontinued since the previous estimate was submitted or (b) have been placed in the basic cost line of the estimates package.

The Department of Social Services shall submit an estimate of expenditures for each of the categorical aid programs to the Department of Finance by November 1, 1983, and April 20, 1984. Each estimate shall contain a concise statement identifying applicable estimate components, such as caseload, unit cost, implementation date, whether it is a new or continuing premise, and other assumptions necessary to support the estimate. The submittal shall include a projection of the fiscal impact of each of the approved assumptions related to a regulatory, statutory, or policy change; a detailed explanation of any changes to the base estimate projections from the previous estimate; and a projection of the fiscal impact of such change to the base estimate.

The Department of Social Services shall submit to the Department of Finance, as part of the estimates compiled for November 1, 1983, a brief narrative description of the methodological steps employed in arriving at (a) the basic grant costs for the AFDC and SSI/SSP programs, (b) the basic administrative costs for the AFDC and Food Stamp programs, (c) all cost estimates for the In-Home Supportive Services program, and (d) any cost estimate for new regulations or legislation which exceeds 2 percent of the total cost of the affected program. Such methodological discussions shall be forwarded to the Joint Legislative Budget Committee and the fiscal committees along with the November 1, 1983 estimates of expenditures. In addition, the Department of Social Services shall, upon request, develop and make available brief written narratives of the steps taken to arrive at specified estimates. Copies of the written narratives,

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working papers, and data employed in the construction of any estimate used to prepare the Governor's Budget shall be made available by the Department of Social Services upon request to the Joint Legislative Budget Committee or the Department of Finance.

In the event that the methodological steps employed in arriving at those estimates in May 1984 differ from those used in November 1983, the Department of Social Services shall submit a brief narrative description of the revised methodology of the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees, along with other materials included in the May 1984 revision of expenditure estimates.

The estimates of average monthly caseload, average monthly grants, total estimated expenditures (including administrative expenditures and savings or costs associated with all regulatory or statutory changes), as well as all supporting data provided by the Department of Social Services or developed independently by the Department of Finance, shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared shall be forwarded to the Joint Legislative Budget Committee not later than January 10, 1984, and May 15, 1984, by the Department of Social Services if this information has not been released earlier by the Department of Finance.

7. The Department of Social Services shall enter into an agreement with the Employment Development Department to provide for the transfer of all or a portion of the welfare grants for the participants in subsidized employment programs operated by the Employment Development Department pursuant to Chapter 1077 of the Statutes of 1981, and Chapter 1080 of the Statutes of 1981 and amended by Chapter 1037 Statutes of 1982 and the Employment Preparation Program.

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8. The Department shall modify the next revision of the Statement of Facts Supporting Eligibility for Assistance (CA 2) used in the AFDC program: (1) to make more clear the types of earnings that qualify for establishing federal AFDC-U eligibility and (2) to add a statement to the section on work/training history to indicate that the information provided in this section, if verification cannot otherwise be obtained, may be accepted in lieu of verification to establish federal eligibility if the CA 2 is signed under penalty of perjury.
9. If Federal Title IV-E funds which were not otherwise budgeted pursuant to the Budget Act of 1982, are received for services provided during the 1982-83 fiscal year for (1) support of the Department of Social Services, (2) Social Services Programs, and (3) Community Care Licensing, an amount not to exceed \$17,247,000 of these funds shall be used to replace General Fund moneys expended for these programs for the 1982-83 fiscal year (Items 5180-001-001, 5180-151-001, and 5180-161-001, respectively, Budget Act of 1982).

Notwithstanding Section 16304.1 of the Government Code, at such time as these federal funds are received, a like amount of General Fund money will revert and is hereby reappropriated in augmentation of this item.

10. If a group home has actual expenditures in excess of the otherwise allowable rate of reimbursement, and these expenditures are made for costs that are eligible for federal financial participation as defined in the Adoption Assistance and Child Welfare Act of 1980 (P.L.96-272), these expenditures shall be substituted for "allowable costs," as defined in Section 11462 of the Welfare and Institutions Code, but shall not exceed the individual group home or institution foster care payment rate.

5180-101-866—For local assistance, Department of Social Services, Payments for Children, Program 10.04, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund 1,514,878,000  
Schedule:

- (a) 10.04.005-Aid to Families with Dependent Children .....1,493,027,000
- (b) 10.04.010-Child Support Incentives..... 21,559,000

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(1) For transfer to Item 5180-101-919.. (995,000)	
(2) For transfer to Item 5180-101- 957 ..... (20,564,000)	
(c) 10.04.015-Adoption Assistance Pro- gram .....	292,000
Provisions:	
1. The federal share of the Payments for Children program costs, Program 10.04, \$1,493,027,000 are not subject to the provisions of Section 28.	
2. Provisions 1 through 7, inclusive, of Item 5180- 101-001 are also applicable to this item.	
5180-101-919—For local assistance, Department of So- cial Services, Interstate Collections Incentive Fund, Program 10.04 .....	600,000
Schedule:	
(a) Amount payable to counties and other states .....	2,180,000
(b) Amount payable from Item 5180- 101-001 .....	—585,000
(c) Amount payable from Item 5180- 101-866 .....	—995,000
(d) Incentive payments from other states .....	(600,000)
5180-101-957—For local assistance, Department of So- cial Services, Support Enforcement Incentive Fund, Program 10.04 .....	0
Schedule:	
(a) Amount payable to the counties..	32,660,000
(b) Amount payable from Item 5180- 101-001 .....	—12,096,000
(c) Amount payable from Item 5180- 101-866 .....	—20,564,000
5180-111-001—For local assistance, Department of So- cial Services, SSI/SSP, Program 10.08 ..	983,702,000
Provisions:	
1. Provisions 1 and 6 of Item 5180-101-001 are also applicable to this Item.	
2. The Director of the Department of Social Serv- ices shall not amend the SSI/SSP contract with the federal government regarding limitations on the payment of Federal Fiscal Liability until after 30 days notification in writing to the Joint Legislative Budget Committee and fiscal com- mittees of the proposed amendments to the con- tract.	

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<b>5180-111-866</b> —For local assistance, Department of Social Services, SSI/SSP, Program 10.08 payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund..... Provisions: 1. Provisions 1 and 6 of Item 5180-101-001 are also applicable to this item.	12,633,000
<b>5180-121-001</b> —For local assistance, Department of Social Services, Special Adult Programs, Program 10.12 Provisions: 1. Provisions 1 and 6 of Item 5180-101-001 are also applicable to this item.	1,593,000
<b>5180-121-866</b> —For local assistance, Department of Social Services, Special Adult Programs, Program 10.12, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund Provisions: 1. Provisions 1 and 6 of Item 5180-101-001 are also applicable to this item.	52,000
<b>5180-131-866</b> —For local assistance, Department of Social Services, Refugee Programs, Program 10.24, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund ..... Provisions: 1. Provision 6 of Item 5180-101-001 is also applicable to this item.	82,916,000
<b>5180-141-001</b> —For local assistance, Department of Social Services, County Administration, Program 10.20 ..... Provisions: 1. The Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-141-001 and 5180-141-866, to Items 5180-001-001 and 5180-001-866 for this purpose. 2. During the 1983-84 fiscal year, pursuant to Sections 15204.5 and 18906 of the Welfare and Institutions Code, the Department of Social Services shall continue the implementation of a plan whereby costs for county administration for AFDC and Food Stamp Programs will be effectively controlled within the total state funds appropriated for Program 10.20, County Administration.	113,473,000

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<p>Notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the total amount of state funds available to the counties for administration of the programs specified in Program 10.20, County Administration, shall be limited to the amount appropriated for that program.</p>	
3. Notwithstanding any provision of the Welfare and Institutions Code to the contrary, the Department of Social Services shall not allocate General Fund money to any county for County Administration for the purpose of fiscal year 1983-84 cost-of-living adjustments in excess of that provided for by this act.	
4. Notwithstanding any other provisions of law, the Department of Social Services may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the form and manner as may be requested by the department. Provided further, that the Department of Social Services may enter into an agreement with a county wherein state financial support for the development or modification of county-automated welfare operations is conditioned upon the realization of savings projected by the county	
5. Provisions 1 and 6 of Item 5180-101-001 are also applicable to this item.	
6. Provision 1 of Item 5180-181-001 is also applicable to this item.	
7. It is the intent of the Legislature that the Department of Social Services exert maximum possible effort toward obtaining enhanced federal fund participation in the costs of development of on-line food stamp issuance systems. The Director of Finance shall, pursuant to Section 28, notify the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee of the receipt of enhanced federal fund participation for the development of on-line food stamp issuance systems. The notice shall include an increase in the appropriation under Item 5180-141-866 of an amount equal to the additional federal funds acquired through enhanced participation, and a reduction of a like amount of the General Fund appropriation un-	

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der this item.

8. It is the intent of the Legislature that counties which process a monthly average of 350 or more AFDC and Food Stamp applications shall administer an early detection fraud prevention system.

Each county shall submit a report to the department by August 15, 1983, on the fraud prevention and detection procedures which they currently employ. Those counties with programs which they deem as cost-effective as the Orange County model shall submit a statement with their report certifying this determination. Counties which do not currently administer a fraud prevention program with cost benefits comparable to Orange County may seek assistance and support from the department to develop such programs.

All interested counties who choose to submit a plan to the department shall submit such plan by October 15, 1983, unless an extension is granted by the director.

Prior to allocation of funds in excess of 25 percent of the amount appropriated for the Welfare Fraud Early Detection/Prevention Program, counties shall submit to the department a plan for resource utilization which shall indicate the personnel classifications to be employed in the program.

All plans shall provide that applicants will only be referred to a fraud investigator after they have completed and signed the application for aid. If eligibility for assistance is established, such referral and investigation shall not delay the receipt of aid, including immediate need payments.

It is the intent of the Legislature that no intimidation based on fraud allegations shall occur whether by referral, or threat of referral, prior to the completion of the application for aid. Whenever an application is withdrawn because of a fraud referral, such withdrawal shall be documented by the caseworker and the county shall keep records of all such withdrawals.

For those applicants withdrawing, the caseworker shall give the applicant a complaint form, that may be mailed to the county by the applicant. The county shall keep copies of all

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complaints.

The department shall review such plans and approve those which would provide satisfactory results regardless of the personnel classifications utilized. No plan shall be approved that includes the employment of uniformed investigators. Counties shall give first priority for hiring additional fraud detection specialists to those county employees who have been laid off as a result of funding cuts and shall provide the necessary training to these individuals in order for them to carry out the duties of the position. Upon plan approval by the department and the Department of Finance, the remaining funds may be allocated to counties in accordance with approved plans.

The department shall submit a report to the Joint Legislative Budget Committee by April 15, 1984, describing the following: to the extent data is available, summaries of county plans; the costs of the program in each county; the savings therefrom; how such savings were obtained; the fraud rate; the number of investigations; the number of prosecutions; the number of applications withdrawn before and after contact with an investigator; the number of investigator contacts; the number of applicants. Additionally, any complaints regarding the county programs shall be included in the report.

The department shall have an Early Welfare Fraud Detection Advisory Committee that shall review all plans submitted to the department prior to approval by the department, and the department shall take into consideration the comments of the committee prior to approving or rejecting the county plan. The committee shall be composed of two persons appointed by the California Welfare Fraud Investigators Association, two persons appointed by the California Welfare Directors Association, two persons appointed by social services labor unions, and two persons appointed by the Coalition of California Welfare Rights Organizations.

The committee shall meet on or before October 20, 1983, and shall review and comment to the director on all county plans submitted within 10 working days from the receipt of the plans.

In addition, the committee shall review all



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complaints filed against the county programs by March 15, 1984, and shall make recommendations to the director on the steps necessary to correct identified problems in the program. These recommendations shall be included in the report to the Joint Legislative Budget Committee due April 15, 1984.

The committee shall be convened as necessary to fulfill the mandates of their charge.

The department shall reimburse committee members for their travel and per diem expenses.

9. The department shall develop a mechanism for advancing or adjusting the state's share of the cost incurred by the counties to accommodate the statewide implementation of the Welfare Fraud Early Detection/Prevention Program. Such adjustments shall not result in a level of state participation which is in excess of that currently mandated.

10. Of the amount appropriated in this item, \$610,000 shall be expended for Welfare Fraud Early Detection/Prevention only upon notice pursuant to Section 28.00.

5180-141-866—For local assistance, Department of Social Services, County Administration, Program 10.20, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund Provisions: 342,523,000

1. Provisions 1 through 5, inclusive, and Provision 8 of Item 5180-141-001 are also applicable to this item.

5180-151-001—For local assistance, Department of Social Services, Social Services Programs, Program 20 Schedule: 152,454,000

- (a) 20.30-Other County Social Services ..... 12,996,500
- (b) 20.35-Specialized Adult Services .. 118,149,800
  - (1) 20.35.220 In-Home Supportive Services .....114,022,800
  - (2) 20.35.240 Maternity Care ..... 2,104,000
  - (3) 20.35.250 Access Assistance for the Deaf ..... 2,023,000
- (c) 20.40-Specialized Family and Children's Services ..... 355,000
- (d) 20.42-Adoptions ..... 18,742,700

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(e) 20.44-Demonstration Projects..... 2,210,000

## Provisions:

1. The amounts contained in this schedule are for Social Services Programs, for the cost of special social service programs for which federal grants in aid are made to the state; for grants or services to local agencies for the extension of child welfare services; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including, but not limited to, the required matching funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code; and for the cost of statewide demonstration programs.
2. Provision 2 of Item 5180-181-001 and Provisions 1 and 6 of Item 5180-101-001 are also applicable to this item.
3. In accordance with Section 74, Chapter 978, Statutes of 1982, \$282,064,000 consisting of \$114,022,800 scheduled in (b) (1) of this item, \$166,011,200 scheduled in (b) (1) of Item 5180-151-866 and \$2,030,000 in county funds is the designated level of funding for the In-Home Supportive Services Program for fiscal year 1983-84.
4. The Department of Social Services shall submit to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee by December 1, 1983, a plan to develop a cost control system for the Other County Social Services (OCSS) program which shall include (1) a method of assessing the effectiveness of the OCSS program in each county and in the state, as a whole, (2) a method of comparing the effectiveness of similar counties in providing services under the OCSS program, and (3) case-load measurements and workload standards for each of the OCSS services designed for use in budgeting for the OCSS program on a statewide basis, as well as for allocating OCSS funds to the counties.

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5. The Department of Social Services (DSS) shall submit its plan for allocating Other County Social Services (OCSS) funds to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee no later than 30 days before these allocations are made. In developing the allocation plan, the department shall seek the advice and assistance of the counties. It is the Legislature's intent that OCSS funds shall be allocated to the greatest extent possible in a manner consistent with the DSS' most recent estimate of the DSS costs of the program under the provisions of Chapter 978 of the Statutes of 1982. The formula shall be applied in such a manner as to ensure that no county is allocated less than 90 percent of what it received in 1982-83. After the above allocation formula has been applied, sufficient funds from PL 98-8 (HR 1718) shall be added to any county's allocation to ensure that no county receives less funds in 1983-84 than it received in 1982-83.
6. The department shall provide to the fiscal committees and to the Joint Legislative Budget Committee no later than November 15, 1983, a report on the feasibility of implementing statewide time-for-task standards in the In-Home Supportive Services program. The report shall include (1) assessments of the feasibility of implementing standards in each task group, (2) an analysis of the fiscal effects of implementing statewide time-for-task guidelines, (3) identification of tasks or services proposed for statewide standards, (4) discussion of the reasons for excluding any tasks not proposed for statewide standards, (5) establishment of a policy for granting exceptions or variances to guidelines where needed, (6) proposals for any regulatory or statutory changes necessary prior to implementation, (7) a schedule for implementation of proposed standards, and (8) an assessment of statewide implementation of the Alameda County Equity Assessment Project. The department shall include participation or review on the part of counties and service experts in the final report to the fiscal committees.

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7. The Department of Social Services shall submit to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee by December 1, 1983, a cost effectiveness evaluation plan for the Other County Social Services (OCSS) program which shall, at a minimum, describe the department's plan to (1) develop a method of assessing the effectiveness of the OCSS program in each county and in the state, as a whole, and (2) develop a method of comparing the effectiveness of similar counties in providing services under the OCSS program. The report shall focus on outcome measures and shall use measures and service data already collected by counties and the state which measure length of placement, placement rates as a function of population, and similar issues.
8. It is the intent of the Legislature to increase the contractual areas of service for the access assistance for the deaf from 4 to 5 regions and that funding provided through the competitive bid process for 1983-84 contract providers be at a level not less than that awarded in 1982-83. Of the funds appropriated by this item, \$200,000 shall be used for the purpose described in this provision, and \$100,000 appropriated in Item 5180-151-866(b) shall be used for this purpose.
- 5180-151-866—For local assistance, Department of Social Services, Social Services Programs, Program 20, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund ..... 384,737,600
- Schedule:
- (a) 20.30-Other County Social Services ..... 161,774,000
  - (b) 20.35-Specialized Adult Services .. 166,111,200
    - (1) 20.35.220 In-Home Supportive Services .....166,011,200
    - (2) 20.35.250 Access Assistance for the Deaf ..... 100,000
  - (c) 20.40-Specialized Family and Children Services ..... 16,194,200
    - (1) WIN ..... 10,194,200
    - (2) Job Training Partnership Act ..... 6,000,000
  - (d) 20.42-Adoptions ..... 12,500
  - (e) 20.44-Demonstration program ..... 245,700
  - (f) 20.45-Refugee Assistance Services 40,400,000

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## Provisions:

1. Provisions 1, 3, 5, and 8 of Item 5180-151-001 and provisions 1 and 6 of Item 5180-101-001 are also applicable to this item.
2. The Department of Social Services shall extend the current contract with the United Way Agency in Orange County for six months for the provision of social services utilizing the county's allocation, excepting those funds allocated to the county welfare department. This contract extension shall include administrative costs at an amount agreed to by the Department of Social Services and the United Way Agency, these costs to be consistent with administrative allowances throughout the state. Prior to the expiration of this contract, the Orange County Board of Supervisors shall determine whether to continue refugee services under the contractual arrangements of this block grant, to be administered by the county. This block grant shall provide for local determination of services and target population priorities, except as precluded by federal law. The Department of Social Services shall monitor and evaluate this block grant and support the provision of local determination of services within Orange County.
3. It is the intent of the Legislature in appropriating targeted assistance funds for refugees that the Department of Social Services shall administer these funds in such a manner to insure that the result is direct services aimed at increased employment of refugees and resulting in greater economic self-sufficiency and reduced dependency on welfare; the department shall develop guidelines and planning requirements for the administration of these funds in the following manner:
  - (a) Provide maximum flexibility to counties for economic development proposals relative to local conditions (i.e., farm technology in Fresno, computer technology in Santa Clara).
  - (b) Provide economic development that yields tangible benefits (i.e., training projects should be tied to job commitments).
  - (c) Projects should attempt to facilitate refugee leadership development; given equal qualifications, priority funding should be

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- given to community-based organizations.
- (d) Require that development of local plans must have input from private business, Chamber of Commerce, Private Industry Council (PIC), voluntary refugee resettlement agencies, refugees, as well as other interested parties, before the department will approve local plans.
  - (e) Encourage projects which maximize the use of voluntary contributions or loans, or both, for capital improvements to be used in conjunction with targeted assistance funds as an overall package.
  - (f) Priority should be to provide innovative projects for economic self-sufficiency. Augmentation of current existing types of services may be approved only after review by the department on an exception basis.
  - (g) The department shall (with the assistance of the State Personnel Board and the Department of Personnel Administration), upon receipt of targeted assistance funding, employ up to one person per county in the Office of Refugee Services (at a salary range not to exceed \$2,501 per month) to work closely with the counties and projects in implementing the targeted assistance program. These individuals should have some experience in community economic development. These positions shall be limited term and exempt from normal civil service in order that 50% of the individuals employed will be refugees. The amount of funds set aside for this purpose shall not exceed  $\frac{1}{2}$  of the amount appropriated for state administrative costs of the Targeted Assistance Program.
  - (h) The department shall (in conjunction with federal requirements) review and approve county plans to ensure conformance with these requirements.
4. Of the funds appropriated in Schedule (c) (2), \$6,000,000 for child care services is appropriated subject to the enactment of legislation introduced in the 1983-84 Regular Session which provides for the expenditure of funds for the Job Training Partnership Act.

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5180-161-001—For local assistance, Department of Social Services, Community Care Licensing, Program 30 .....	9,707,200
Provisions:	
1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-001, Program 30, Community Care Licensing, in order to allow the state to perform the facilities evaluation function in the event the counties fail to perform such function.	
2. Provision 2 of Item 5180-181-001 is also applicable to this item.	
3. Provision 6 of Item 5180-101-001 is also applicable to this item.	
5180-161-866—For local assistance, Department of Social Services, Community Care Licensing, Program 30, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund.... ..	2,707,300
Provisions:	
1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-866, Program 30, Community Care Licensing, in order to allow the state to perform the facilities evaluation function in the event the counties fail to perform such function.	
2. Provision 6 of Item 5180-101-001 is also applicable to this item.	
5180-181-001—For local assistance, Department of Social Services, Cost of Living Increases, to be transferred to and in augmentation of programs, upon approval of the Department of Finance, effective July 1, 1983, in accordance with the following schedule .....	205,188,900
Schedule:	
(a) SSI/SSP (for transfer to Item 5180-111-001 to provide a cost of living increase) .....	128,000,000
(b) County Administration (for transfer to Item 5180-141-001 to provide a 3.0 percent cost of living increase) .....	3,697,400
(c) Social Services (for transfer to Item 5180-151-001 to provide a 3.0 percent cost of living increase) ...	13,259,500
(d) Community Care Licensing (for transfer to Item 5180-161-001 to provide a 3.0 percent cost of living increase) .....	291,000

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(e) AFDC (for transfer to Item 5180-101-001 to provide a 4.0 percent cost-of-living increase) .....	59,941,000
Provisions:	
1. Notwithstanding any provisions of law to the contrary, General Fund money appropriated by Item 5180-141-001 or 5180-181-001 for Program 10.20, County Administration, shall be used to provide a cost-of-living increase to any county welfare department for personal and nonpersonal services or to fund the amount of cost-of-living increases granted by counties which exceeded the levels specified in the State Budget Acts for the 1981-82 and 1982-83 fiscal year. These increases shall not exceed the percentage increase authorized by the Legislature in this act for all counties for the 1983-84 fiscal year. However, a county may use General Fund money from its allocation for operating expenses for salary and benefit increases, in excess of the percentage increase authorized by the Legislature, for salary and benefit increases. The 1983-84 county administrative cost control plan for Program 10.20, County Administration, shall contain a provision which specifies that any county cost-of-living increase for personal and nonpersonal services which exceeds the percentage increase authorized by the Legislature shall be the sole fiscal responsibility of the county unless the excess costs are funded by permanent productivity increases, or in subsequent years the cost-of-living adjustments granted by counties are less than the percentage increase authorized by the Legislature. The department shall not allocate, reallocate, or transfer unused portions of county cost-of-living adjustments in excess of the percentage increase authorized by the Legislature in this act.	
2. Notwithstanding any other provision of law, none of the funds appropriated by Item 5180-151-001 or 5180-161-001, or categories (d) and (e) of Item 5180-181-001 for Programs 20 and 30 shall be used to provide a cost-of-living increase to counties for social services and community care licensing programs in excess of the amount specifically authorized for these purposes by the Legislature unless the excess costs are offset by permanent productivity increases or in subse-	



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quent years the cost-of-living adjustments granted by counties are less than the percentage increase authorized by the Legislature.	
3. The Department of Social Services shall control allocation of in-home supportive services cost-of-living adjustment funds to ensure that these funds are used only for provider wage and benefit increases	
5180-181-866—For local assistance, Department of Social Services, Cost of Living Increases, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund, to be transferred to and in augmentation of programs, upon approval of the Department of Finance, effective July 1, 1983, in accordance with the following schedule Schedule:	80,306,300
(a) County Administration (for transfer Item 5180-141-866 to provide a 3.0 percent cost of living increase)	11,947,100
(b) Social Services Programs (for transfer to Item 5180-151-866 to provide a 3.0 percent cost of living increase) .....	780,200
(c) AFDC (for transfer to Item 5180-101-866) to provide a 4.0 percent cost of living increase.....	67,579,000
5180-490—Reappropriation, Department of Social Services. On the effective date of this act, notwithstanding any other provisions of law, the unencumbered balances of the appropriations provided in the following citations are reappropriated for AFDC-Foster Care funding, and shall be available for expenditure until June 30, 1984:	
01—General Fund	
(1) Item 5180-001-001, Budget Act of 1982, not to exceed \$1,055,000.	
(2) Item 5180-151-001, Budget Act of 1982, not to exceed \$14,185,000.	
(3) Item 5180-161-001, Budget Act of 1982, not to exceed \$2,007,000.	
5190-001-142—For support of California Health Facilities Commission, in accordance with the provisions of Part 1.7 (commencing with Section 440) of Division 1 of the Health and Safety Code, payable from the California Health Facilities Commission Fund Schedule:	3,653,000
(a) 100000-Personal Services .....	2,357,000
(b) 300000-Operating Expenses and Equipment .....	1,373,000

Item	Amount
(c) Reimbursements .....	-77,000
Provisions:	
1. In adopting its assessment fee rates for hospitals and long term care facilities, the commission shall provide for a contingency reserve not to exceed \$200,000.	

## YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of Department of Corrections.....	581,301,000
Schedule:	
(a) 21-Institution Program .....	531,626,000
(b) 31-Community Correctional Program .....	56,763,000
(c) 41.01-Administration .....	37,710,000
(d) 41.02-Distributed Administration .....	-37,710,000
(e) Reimbursements .....	-7,088,000
Provisions:	
1. Funds appropriated to accommodate projected institutional population levels in excess of those which actually materialize, if any, shall revert to the General Fund, unless the encumbrance of such funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefor, to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee.	
2. The amount not to exceed \$2,421,000 is appropriated from the General Fund for payment of worker's compensation claims of inmates pursuant to Sections 3364.55, 3365, and 3370 of the Labor Code and Section 2700 of the Penal Code; and for payment of unemployment insurance and disability insurance claims of, and for support of Department of Corrections, Employment Development Department, and California Unemployment Insurance Appeals Board for claims of inmates pursuant to Chapter 5.8 (commencing with Section 1480) of Part 1 of Division 1 of the Unemployment Insurance Code, Department of Corrections provided, that expenditures made pursuant to this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	

Item	Amount
3. \$2,208,000 contained in this item shall be restricted to expenditures for the repair of flood damage sustained at the Deuel Vocational Institution. This amount will be reduced in the amount of any federal reimbursement received for these general repair costs. Any amounts so reduced shall revert to the General Fund. 4. The department shall not expend any funds pursuant to the planning for, or construction of, a new correctional facility at Salinas. 5. Any report, plan, or review required of the department by this act or by any other provision of law to be submitted to the Joint Legislative Budget Committee, to the fiscal committee of either house, or to the appropriate policy committees of either house, shall also be submitted for review under the same conditions to the Joint Legislative Prison Committee.	
5240-001-678—For support of Department of Corrections, for Program 21, Institution Program, payable from Prison Industries Revolving Fund .....	41,545,000
Provisions:	
1. Notwithstanding Section 2806 of the Penal Code the amount of \$41,545,000 is appropriated from the Prison Industries Revolving Fund for support of the Prison Industries program, Program 21.30.030.010, Department of Corrections, in accordance with Chapter 5 (commencing with Section 2700) of Title 1 of Part 3 of the Penal Code. Additional expenditures may be made for the purposes of this item if revenue is available and in accordance with Section 28. 2. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Prison Industries Revolving Fund.	
5240-001-890—For support of Department of Corrections payable from Federal Trust Fund .....	88,000
(a) 21-Institution Program .....	80,000
(b) 31-Community Correctional Program .....	8,000
5240-001-917—For support of Department of Corrections, for Program 21—Institution Program, payable from Inmate Welfare Fund .....	11,071,000
Provisions:	
1. Additional expenditures may be made from the Inmate Welfare Fund for purposes of this item if revenue is available and in accordance with Section 28.	

Item	Amount
2. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Inmate Welfare Fund.	
5240-101-001—For local assistance, Department of Corrections.....	10,519,000
Schedule:	
(a) 21-Institution Program .....	3,923,000
(b) 31-Community Correctional Program .....	6,596,000
Provisions:	
1. The amount of \$215,000 is appropriated from the General Fund for transportation of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code. Provided, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such transportation costs were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
Provided further, that claims filed by the counties directly with the State Controller may be paid by the Controller.	
2. The amount of \$6,596,000 is appropriated from the General Fund for reimbursement to counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code, Department of Corrections provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
3. The amount of \$1,437,000 is appropriated from the General Fund for expenses of returning fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the state for such expenses be	

## Item

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credited to the appropriation of the year in which the State Controller's receipt is issued.

Provided further, that claims filed by the counties directly with the State Controller may be paid by the Controller.

4. The amount of \$2,271,000 is appropriated from the General Fund for court costs and county charges, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charges with commission of a crime or crimes while incarcerated in a state institution or prison under the Department of Corrections provided, that claims filed payable under Section 6005 of the Penal Code may be paid by the Department of Corrections from funds appropriated by this item. Provided further, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such court costs and county charges were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

Provided further, that claims filed by the counties directly with the State Controller may be paid by the Controller.

5240-301-036—For capital outlay, Department of Corrections, payable from Special Account for Capital Outlay.....

60,000

Schedule:

Correctional Training Facility:

- (4) 61.05.007-Complete land acquisition ..... 60,000

5240-301-723—For capital outlay, Department of Corrections, payable from the New Prison Construction Fund.....

5,991,000

Schedule:

California Institution for Men:

- (6) 61.08.008-Renovate Locking Devices—Construction ..... 2,161,000
- (7) 61.08.010-Security Modifications and installation of security fencing—Preliminary plans, working drawings, and construction..... 500,000

California Men's Colony:

- (8) 61.10.004-Replace Sewage Lines Collector—Testing for Infiltration/Inflow and project planning ..... 150,000

Item	Amount
San Quentin State Prison:	
(9) 61.12.004-Waste Water Treatment Facility .....	610,000
California Institution for Women:	
(10) 61.13.002-Upgrade Primary Electrical System—Construction .....	1,300,000
Minor Projects:	
(11) 61.14.000-Minor Projects .....	1,270,000
5240-311-723—For capital outlay, Department of Corrections, payable from the New Prison Construction Fund.....	157,539,000
Schedule:	
California State Prison at Folsom:	
(2) 61.07.004-Maximum security units A, B, and C—working drawings and construction .....	112,000,000
California Medical Facility:	
(3) 61.01.002-2400 Level I/II beds—site studies, EIR, preliminary plans, working drawings .....	2,300,000
Ione:	
(3.1) 61.01.020-1200 Level I/II beds—site studies, EIR programming, schematics and preliminary plans .....	900,000
California State Prison at Adelanto:	
(4) 61.02.002-Maximum security units and minimum support service complex—Early site development and utilities—preliminary plans, working drawings and construction .....	4,900,000
(5) 61.02.003-Off-site development and utilities (Mojave Water)—Preliminary plans, working drawings and construction .....	4,000,000
(5.1) 61.02.004—Maximum security units working drawings .....	305,000
California State Prison at San Diego:	
(6) 61.11.002-Medium security units and minimum security support service complex—preliminary plans and working drawings.....	5,100,000
(7) 61.11.003-Site development and utilities—preliminary plans, working drawings and construction.....	8,500,000
(7.1) 61.11.004-Land acquisition .....	150,000

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(7.2) 61.11.005—Offsite development and utilities, preliminary plans, working drawings, and construction .....	6,800,000
Medium Security Facility #1, Los Angeles County:	
(9) 61.01.008-Preliminary plans for total facility.....	2,100,000
Medium Security Facility #2, Riverside County:	
(10) 61.01.010-Preliminary plans and working drawings for total facility .....	6,300,000
Northern California Women's Facility, San Joaquin County:	
(12) 61.01.015-Initial studies, EIR, programming, master planning, schematics and preliminary plans for total facility .....	700,000
Statewide:	
(14) 61.01.007-General and Advance Planning/Studies .....	200,000
(15) 61.01.006-Capital Program Management—Technical and Professional Services .....	1,500,000
California Men's Colony—West:	
(16) 61.10.006-Phase I—Construction and renovation .....	1,784,000

## Provisions:

1. None of the funds appropriated for projects in categories (3) and (3.1) may be expended until legislation, other than the Budget Act of 1983, is enacted which authorizes establishment of new permanent prisons at the proposed sites.
2. The Department of Corrections shall utilize the funds appropriated for the projects funded under categories (3) and (3.1) to design facilities to add permanent capacity to the state prison system. Prior to spending the funds under these categories, the department shall evaluate the life-cycle cost/benefit, including support/operations and security requirements, of constructing these facilities by use of pre-engineered building techniques and by other conventional construction materials and techniques. The department's evaluation shall include (1) an assessment of a realistic but expedited project schedule and (2) a determination of the life-cycle cost for completing these new facilities. The department shall report the evaluation and cost/benefit analysis to the Chairperson of the

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- Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house, prior to spending any funds under categories (3) and (3.1).
3. None of the funds appropriated in category (6) may be expended for design of any additional capacity beyond the 1,700 beds currently authorized for the San Diego site unless legislation is enacted which authorizes additional capacity at this site.
  4. None of the funds appropriated for construction in categories (7) and (7.2) shall be expended unless prior to advertising for construction bids, the Director of Finance has advised the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the administration's plan for financing the balance of construction for the San Diego medium security prison complex.
  5. None of the funds appropriated in category (7.1) shall be expended to pay for administrative services provided by the Real Estate Services Division of the Department of General Services.
  6. The funds appropriated for projects in categories (9) and (10) shall be expended for planning of new medium security prisons using the design of the proposed San Diego medium security prison as a prototype. If site restrictions require the development of a high-rise prison, the San Diego prototype may be modified. Any modification to the prototype design, and a justification for the modification, shall be submitted to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house for review at least 30 days prior to Public Works Board approval of the preliminary plans for these projects.
  7. Without prior legislative approval, none of the funds appropriated by this act may be expended for any activities relating to the use of the Firestone Plant in Salinas as a correctional facility site.



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**5240-490**—Reappropriation, Department of Corrections. Notwithstanding any other provisions of law, the unencumbered balances of the appropriations provided in the following citations are reappropriated, on the effective date of this act, for the purposes provided for in those appropriations and any additional purposes provided for in this section, and shall be available for expenditure until June 30, 1984:

**036**—Special Account for Capital Outlay

1. Item 566(c) of the Budget Act of 1980 and the Public Works Board augmentation of February 1, 1982, pursuant to Section 16352 of the Government Code—Correctional Training Facility, acquisition of land for sewage ponds.

**723**—New Prison Construction Fund

1. Item 5240-301-036 of the Budget Act of 1982, as amended by Section 48 of Chapter 10 of the Statutes of 1983–84 First Extraordinary Session, which shifted funding from the Special Account for Capital Outlay to the New Prison Construction Fund.

Schedule:

Correctional Training Facility:

- (3) 61.05.008-Replace food service building—South facility—Preliminary plans and working drawings.

California Men's Colony:

- (14) 61.10.002-Install emergency generator-East—Preliminary plans and working drawings.

2. Item 5240-301-723 of the Budget Act of 1982:

Unidentified Southern California site:

- (1) 61.02.002-Maximum security units and minimum security support service complex—Preliminary plans and working drawings.

California State Prison at Folsom:

- (2) 61.07.004-Maximum security units and minimum security support service complex—Preliminary plans and working drawings.
- (2.1) 61.07.005-Construct site development and utilities.

California State Prison at San Diego:

- (3) 61.11.002-Medium security units and minimum security support service complex—Preliminary plans.

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Southern Maximum Security Complex,  
Tehachapi:

(4.1) 61.04.003-Support services facilities—Construction.

Temporary Housing:

(5) 61.01.001-Various-acquisition and construction of temporary housing.

California Men's Colony-West:

(6) 61.01.006-Phase II—Construction and renovation.

Medium Facility #1:

(9) 61.01.008-Land acquisition, EIR, initial studies, planning, master planning, and schematics.

Medium Facility #2:

(10) 61.01.010-Land acquisition, EIR, initial studies, planning, master planning, and schematics.

New Camps:

(14) 61.01.014-Land acquisition, EIR, initial studies, schematics, preliminary plans, working drawings, and construction.

California Institution for Women:

(15) 61.13.004-Special housing unit—EIR, initial studies, preliminary plans, working drawings, and construction.

3. Item 5240-311-723 of the Budget Act of 1982:

Temporary Housing:

(4) 61.01.002-Various—Acquisition and construction of temporary housing units.

Unidentified Southern California Site:

(7) Maximum security units and minimum security support service complex—architectural programming, master planning, and schematics.

Provisions:

1. Prior to expenditure of any funds appropriated in Category (14) of Item 5240-301-036 of the Budget Act of 1982, as amended by Section 48 of Chapter 10 of the Statutes of 1983-84 First Extraordinary Session, the department shall submit to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the

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fiscal committees a report which identifies the feasibility and associated benefits and cost of utilizing a cogeneration system to meet emergency electrical generation requirements at the California Men's Colony. The department may utilize these funds to develop plans for a cogeneration facility in lieu of an emergency generator.

5240-495—Reversion, Department of Corrections. Notwithstanding any other provision of law, as of June 30, 1983, the undisbursed balance in excess of unliquidated encumbrances, including any such balance in the Architectural Revolving Fund, of the appropriations provided in the following citations, shall revert to the unappropriated surplus of the fund from which the appropriation was made:

036—Special Account for Capital Outlay

(1) Item 567, Budget Act of 1980:

(a) Item 567 (b)—Correctional Training Facility—North—to correct security deficiencies preliminary plans and working drawings.

(b) Item 567 (c)—California Rehabilitation Center—to correct fire and life safety deficiencies, preliminary plans and working drawings.

(c) Item 567 (e)—Various—for acquisition and installation of 1,280 prefabricated housing units; provided, that up to \$50,000 may be retained for completion of a 20-bed addition at Owens Valley Conservation Camp.

(d) Item 567 (g)—Conservation Camps A and B in Los Angeles County and Conservation Camp C in San Diego County—preliminary plans, working drawings, construction, and operating costs.

723—New Prison Construction Fund

(1) Item 5240-311-723, Budget Act of 1982: California State Prison at San Diego:

(a) Item 5240-311-723 (2)—61.11.004—Medium security units and minimum security support service complex—Site study and environmental study and site acquisition. Site acquisition—statewide:

(b) Item 5240-311-723 (6)—61.10.016—Site acquisition in accordance with the provisions of Chapter 1135, Statutes of 1979.

5430-001-001—For support of Board of Corrections, Program 10—Board of Corrections .....

255,000

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5430-001-170—For support of Board of Corrections, Program 10—Board of Corrections payable from Corrections Training Fund .....	921,000
5430-001-933—For support of Board of Corrections, Program 10—Board of Corrections payable from County Jail Capital Expenditure Fund .....	450,000
5430-101-170—For local assistance, Board of Corrections, Program 20—Special Items of Expense payable from Corrections Training Fund .....	7,279,000
5430-101-933—For local assistance, Board of Corrections, Program 20—Special Items of Expense payable from the County Jail Capital Expenditure Fund .....	25,000,000
5440-001-001—For support of the Board of Prison Terms, Program 10 .....	6,289,000
5450-001-001—For support of the Youthful Offender Parole Board, Program 10 .....	2,252,000
5460-001-001—For support of Department of the Youth Authority .....	181,265,000
Schedule:	
(a) 10-Prevention and Community Corrections .....	3,301,000
(b) 20-Institutions and Camps.....	162,651,000
(c) 30-Parole Services .....	26,262,000
(d) 40-Planning, Research, Evaluation and Development .....	1,739,000
(e) 50.01-Administration .....	10,454,000
(f) 50.02-Distributed Administration ..	10,454,000
(g) Reimbursements .....	12,688,000
5460-001-890—For support of Department of the Youth Authority, Program 20—Institutions and Camps, payable from the Federal Trust Fund.....	889,000
5460-101-001—For local assistance, Department of the Youth Authority .....	67,034,000
Schedule:	
10-Prevention and Community Corrections.....	(64,641,000)
(a) 10.20.010-Delinquency Prevention .....	1,829,000
(b) 10.20.020-County Justice Subvention Program .....	62,812,000
(c) 20-Institutions and Camps, Transportation of Wards .....	95,000
(d) 30-Parole Services—Assistance to Counties for Detention of Youth Authority Parolees.....	414,000
(e) Special adjustment—Cost-of-living increase.....	1,884,000

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## Provisions:

1. \$1,829,000 is appropriated in Program 10.20.010 for contracting with public or private agencies engaged in prevention of delinquency, as authorized by Article 5.5 (commencing with Section 1790) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority.
2. The funds appropriated in category (a) of this item for delinquency prevention programs shall be expended in accordance with the following schedule:

(a) Sugar Ray Youth Foundation ..	466,000
(b) John Rossi Youth Foundation ..	134,000
(c) Youth Service Bureaus funded by the state in 1980-81.....	1,026,600
(d) Projects selected by depart- ment .....	202,400

The program emphasis of the Youth Service Bureaus funded in category (a) of this item shall be the prevention of delinquency rather than the sponsorship of recreation. The Department of the Youth Authority may use any part of the \$202,400 specified in subdivision (d) for restitution projects.
3. \$62,812,000 is appropriated for assistance to counties in the operation of programs pursuant to the County Justice System Subvention Program in accordance with Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority. Notwithstanding any other provision of law, any county receiving funds from the County Justice System Subvention Program shall use those funds in the 1983-84 fiscal year for purposes specified in Section 1806 of the Welfare and Institutions Code.
4. \$95,000 is appropriated in Program 20 for transportation of persons committed to Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

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5. \$414,000 is appropriated in Program 30 for reimbursement to counties for the cost of the detention of Youth Authority parolees, who are detained on alleged parole violations, pursuant to Section 1776 of the Welfare and Institutions Code, provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
5460-301-036—For capital outlay, Department of the Youth Authority, payable from the Special Account for Capital Outlay .....	206,000
Schedule:	
(d) 60.62-Ventura School—install emergency lighting—construction .....	206,000

## EDUCATION

6100-001-001—For support of the Department of Education .....	26,093,000
Schedule:	
(a) 10-Instruction .....	14,926,000
(1) 10-Total Instruction .....	16,224,000
(2) Reimbursements ..	—1,298,000
(b) 20-Instructional Support .....	3,721,000
(1) 20-Total Instructional Support .....	4,006,000
(2) Reimbursements ..	—285,000
(c) 30-Special Programs .....	6,402,000
(1) 30-Total Special Programs .....	6,428,000
(2) Reimbursements ..	—26,000
(d) 40.01-Department Management and Services .....	23,409,000
(e) 40.02-Distributed Department Management and Services .....	—18,865,000
(1) 40.02-Total Distributed Department Management and Services .....	—18,673,000
(2) Reimbursements ..	—192,000
(f) 97.20-Unallocated reduction .....	—3,500,000

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## Provisions:

## 10-Instruction:

1. Notwithstanding Section 33403 of the Education Code, or any other provision of law, no funds appropriated pursuant to this act shall be used by the Department of Education to prepare evaluation reports on the following programs during the 1983-84 fiscal year:
  - (a) Professional development and program improvement centers.
  - (b) Indian education centers.
  - (c) Alternative schools.
  - (d) Bilingual teacher corps.
  - (e) Demonstration programs in reading and mathematics.

## 30-Special Programs:

2. \$825,000 of the funds appropriated in this item in lieu of the appropriation made by subdivision (b) of Section 41312, and in lieu of the apportionment of funds specified in Section 41353, of the Education Code, for the State administrative expenses related to the child nutrition program and nutrition education projects.
3. Funds included in this item shall be utilized to perform licensing activities pursuant to Health and Safety Code Section 1511 for specified community day care facilities which are under contract with the Department of Education. Such licensing functions shall be authorized and defined through interagency agreement with the Department of Social Services.

## 40-Department Management and Special Services:

4. \$69,000 of the funds included in this item shall be utilized for California's participation in the Education Commission of the States.
5. \$525,000 of the funds included in this item shall be available only for the state's defense costs in the Serrano litigation and shall be expended only upon the approval of the Director of Finance.
6. From any funds remaining from Item 6100-101-001 of the Budget Act of 1982 or schedule (a) of Item 610-101-001 of the Budget Act of 1981, there shall be transferred to Item 6100-001-001 of the Budget Act of 1983 an amount as needed to fund the difference between the actual cost of administering the California High School Proficiency Examination and any reimbursement from fees

Item	Amount
for that examination in the 1983-84 fiscal year.	
7. The number of positions at the Education Consultant salary level or higher shall be no greater than the number of such positions authorized on July 1, 1983. The number of positions at the Education Administrator I salary level or higher shall not exceed 10 percent of the number of positions at the Education Consultant salary level or higher.	
8. No individual employee of the department shall be paid on the basis of a personal services contract during the 1983-84 fiscal year for more than 30 cumulative days.	
9. Any position at the Education Administrator I salary level or higher which remains vacant for more than 60 consecutive calendar days shall be abolished.	
10. The Superintendent of Public Instruction shall report to the Joint Legislative Budget Committee not later than November 15, 1983, regarding the actions taken to comply with Provisions 7, 8, and 9.	
6100-001-140—For support of the Department of Education Program 20.10—Curriculum Services payable from the California Environmental License Plate Fund.....	101,000
6100-001-178—For support of the Department of Education, Program 20—Instructional Support, for the purpose of conducting school bus driver instructor training as provided in Section 1204 of the California Administrative Code, payable from the Driver Training Penalty Assessment Fund .....	254,000
6100-001-305—For support of Department of Education, Program 30.30—Postsecondary Education, payable from the Private Postsecondary Education Administration Fund .....	986,000
Provisions:	
1. Funds provided by this item are for support of the Office of Private Postsecondary Education and the Private Postsecondary Education Council pursuant to Chapter 791, Statutes of 1981.	
6100-001-344—For support of the Department of Education, Program 20—Instructional Support, payable from the State School Building Lease-Purchase Fund .....	495,000
6100-001-680—For support of the Department of Education, for the California State Agency for Surplus Property, Program 30.50—Surplus Property, payable from the Surplus Property Revolving Fund ..	26,337,000



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6100-001-890—For support, Department of Education, payable from the Federal Trust Fund.....	31,297,000
Schedule:	
(a) 10-Instruction .....	17,806,000
(b) 20-Instructional Support .....	2,949,000
(c) 30-Special Programs .....	6,677,000
(d) 40-Department Management and Special Services .....	3,865,000
Provisions:	
1. The Department of Education shall not enter into any new contracts or amend any existing contracts for the evaluation of migrant education prior to notification of the Joint Legislative Budget Committee under the provisions of Section 28.00.	
6100-006-001—For support of the Department of Education as allocated by the Department of Education to the State Special Schools .....	30,554,000
Schedule:	
(a) 10-Instruction .....	35,455,000
(b) Reimbursements .....	—4,901,000
Provisions:	
1. Funds for student transportation allowances are provided in lieu of funds which would otherwise be transferred in accordance with provisions of Sections 14007 and 41301.5 of the Education Code. The funds shall be allocated pursuant to Sections 59030.5, 59124.5 and 59223 of the Education Code.	
2. On or before January 15 of each year the Superintendent of each State Special School shall report to each district the estimated payment for the fiscal year pursuant to Education Code Section 59300. The State Controller shall withhold from the State School Fund in the first principal apportionment of that fiscal year the amount due from each school district as reported to the Controller by the Superintendent of Public Instruction. The amount withheld shall be transferred from the State School Fund to Item 6100-006-001 which supports the State Special Schools. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the fiscal year by reporting to the State Controller the information needed to make the adjustment.	
6100-011-001—For support of the Department of Education, California State Library, Division of Libraries, and California Library Services Board .....	7,846,850

Item	Amount
Schedule:	
(a) 50-Library Services .....	7,859,850
(b) Reimbursements .....	— 13,000
6100-011-890—For support, Department of Education, California State Library, Program 50—Library Services, payable from the Federal Trust Fund ....	1,039,000
6100-015-001—For support of the Department of Edu- cation instructional materials warehousing and shipping costs, Program 20.20.020—Instructional Materials Management and Distribution .....	238,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1983– 84 fiscal year, pursuant to Article 3 (commenc- ing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education, and the remain- ing balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1984.	
2. Funds appropriated by this item for the Instruc- tional Materials Management and Distribution Program shall be transferred for direct disburse- ment by the Department of Education from the State Instructional Materials Fund.	
6100-020-001—For support of Department of Educa- tion, Program 10.70—Vocational Education for the purpose of subdivision (b) of Section 19632 of the Business and Professions Code.....	500,000
6100-101-001—For local assistance, Department of Edu- cation, for transfer to Section A of the State School Fund, Program 10.10—School Apportionments.....	5,370,741,000
Provisions:	
1. Funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1983–84 fiscal year pursuant to Sections 14002, 14004, and 41301 of the Education Code, an amount as needed, in addition to sums accruing to Section A of the State School Fund from other sources for the purposes specified herein, for apportionment pursuant to Section 42238, Section 42238.5, Sec-	

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- tion 42239, Section 42240, Section 42240.1, Section 41841.5, and Section 42243.7, Article 1 (commencing with Section 52300) of Chapter 9 of Part 28, and Section 54061 of the Education Code.
2. The Superintendent of Public Instruction shall apportion funds appropriated in this item according to the following schedule:
- Schedule:
- a. Program 10.10—School Apportionments, for the purposes of Section 42238 of the Education Code .....5,167,555,000
  - c. Program 10.10—School Apportionments, for Small School District Aid, for the purposes of Section 42240 and Section 42240.1 of the Education Code ..... 17,518,000
  - d. Program 10.10—School Apportionments, for the purpose of Provision 6 of this item ..... 20,000,000
  - e. Program 10—Instruction, for Regional Occupational Centers and Programs, for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28, of the Education Code, as specified in Provision 3 of this item ..... 165,668,000
3. For the 1983–84 fiscal year, the Superintendent of Public Instruction shall allocate the funds appropriated in schedule (e) of Provision 2 of this item in the following manner:
- (a) The Superintendent of Public Instruction shall certify for apportionment to each ROC/P in the 1983–84 fiscal year an amount calculated as follows:
    - (1) Multiply the 1982–83 ROC/P's base revenue limit per unit of average daily attendance determined pursuant to subdivisions (a) and (b) of Provision 4 of Item 6100-101-001 of Chapter 326, Statutes of 1982, by the ROC/P's 1983–84 fiscal year annual average daily attendance that is equal to or less than the ROC/P's annual average daily attendance in the 1981–82 fiscal year.
    - (2) For annual average daily attendance in

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the 1983-84 fiscal year that is greater than the annual average daily attendance in the 1981-82 fiscal year, add to the amount certified pursuant to paragraph (1) of this subdivision an amount equal to the statewide average revenue limit per unit of average daily attendance determined pursuant to paragraph (2) of subdivision (c) of Provision 4 of Item 6100-101-001 of Chapter 326, Statutes of 1982, multiplied by the difference in annual ADA between the 1981-82 and 1983-84 fiscal years.

- (b) If the amount claimed for apportionment to ROC/Ps is greater than the amount appropriated for such claims, the Superintendent of Public Instruction shall compute an allowable growth factor for each district, county office, or joint powers agency operating regional occupational centers and programs according to the following formula:

$$G = \left[ \frac{(F \times 0.10 \times H) + (F \times 0.05 \times A)}{(H + A)} \times P \right] + (L \times P)$$

where:

- (1) "G" is the allowable growth factor for the 1983-84 fiscal year.
- (2) "H" is the 1981-82 fiscal year high school average daily attendance in the ROC/P.
- (3) "A" is the 1981-82 fiscal year adult average daily attendance in the ROC/P.
- (4) "F" is the difference between 1.0 and the quotient of subdivision (h) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982, divided by the sum of paragraphs (2) and (3) of subdivision (g) of Provision 4 of that item.
- (5) "L" is any average daily attendance allocated to the ROC/P in 1982-83 pursuant to subdivision (h) of Provision 4 of Item 6100-101-001 of the Budget Act of 1982.
- (6) "P" is equal to 1.10 or such lesser num-

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ber as may be determined by the Superintendent of Public Instruction after allocating the funds specified in subdivision (f) of this provision.

Any reduction in allocations shall apply only to the claims of districts, county offices, or joint powers agencies on account of average daily attendance in ROC/Ps in excess of the amount computed by the following formula:  $(H + A) \times (1.0 + G)$  where the symbols are as defined above.

- (c) The funds appropriated pursuant to this item shall be allocated by the Superintendent of Public Instruction to each school district or county office of education operating the ROC/P based on the school district's or county office of education's 1982-83 prorata share of the funds being allocated.
- (d) Notwithstanding any other provision of law, the funds allocated pursuant to this provision from category (e) of Provision 2 of this item and funds provided in Schedule (a) (5) of Item 6100-226-001 of this act shall be the only funds allocated for the purpose of funding ADA in ROC/Ps. A school district which is part of a joint powers ROC/P may claim ADA in 1982-83 because of participation of pupils in an ROC/P only in accordance with this provision.
- (e) An amount not to exceed \$200,000 from the funds specified in schedule (e) of Provision 2 of this item shall be allocated by the Superintendent of Public Instruction to fund additional units of average daily attendance in ROC/Ps, at the rate specified for growth average daily attendance in paragraph (2) of subdivision (a) of this provision, which experienced annexation of service territory not previously included in a ROC/P during 1982-83.
- (f) For purposes of Section 2558 of the Education Code, the Superintendent of Public Instruction shall deduct from the funding entitlement of each ROC/P operated by a county office of education, as determined pursuant to Provision 3, any local revenue which would otherwise be deemed restricted and not available for expenditure in the

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- current fiscal year pursuant to subdivision (d) of that section. The local revenue so deducted shall be utilized by the county office of education for support of the ROC/P. This subdivision is declaratory of existing law applicable during the 1982-83 fiscal year.
4. Notwithstanding Section 46144 of the Education Code, apportionments from the funds appropriated by this item shall not be made on account of students enrolled in approved work experience programs unless they attend at least a minimum school day of 240 minutes or such longer time as may be specified by statute, or unless the work experience programs include at least one period per week of classroom instruction or counseling.
  5. In the event of a deficiency in the appropriation made in schedule (a) of Provision 2 of this item, or in Item 6100-106-001, the Superintendent of Public Instruction may transfer funds between this item and Item 6100-106-001 with the approval of the Director of Finance. The Superintendent shall adjust the apportionments made from funds appropriated for the purposes specified in schedule (a) of Provision 2 of this item and in Item 6100-106-001 so that the deficit factor applied to the funding entitlements is the same for each of the programs funded by such appropriations.
  6. The funds provided in category (d) of Provision 2 of this item shall be available for apportionment to districts whose revenue limits, as computed pursuant to subdivision (j) of Section 42238 and Section 42239 of the Education Code, in the 1983-84 fiscal year are less than their revenue limits in the 1982-83 fiscal year. The Superintendent of Public Instruction shall develop, and the Director of Finance shall approve, criteria for allocating these funds to districts with the most urgent need.
  7. In the event that any bill is enacted which increases the amount of local property tax revenues that would otherwise have been available for programs funded by the appropriation in this item in the 1983-84 fiscal year, the Director of Finance shall estimate the amount of the increased revenues and shall notify the Joint Legislative Budget Committee of the estimated

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amount. No sooner than 10 days after the notification, the Director of Finance shall certify the amount to the Controller. The Controller shall, within 30 days of the receipt of the certification, revert from the appropriation provided in this item to the unappropriated surplus of the General Fund an amount as certified by the Director of Finance.	
6100-101-890—For local assistance, Department of Education, pursuant to Chapter 2 of the Education Consolidation and Improvement Act (ECIA), for allocation as directed by the Superintendent of Public Instruction, with the approval of the Director of Finance, following submission of the final report of the Governor's ECIA Chapter 2 Advisory Committee or July 1, 1983, whichever is sooner, and review by the Joint Legislative Budget Committee—Federal Block Grant payable from the Federal Trust Fund .....	34,838,000
Schedule:	
(a) 10-Instruction .....	33,428,000
(b) 20-Instructional support.....	905,000
(c) 40-Department management and special services.....	505,000
Provisions:	
1. \$200,000 of the funds appropriated by this item shall be allocated as a grant by the Superintendent of Public Instruction to a private, nonprofit foundation for the purpose of conducting a program on youth and the administration of justice in at least 15 school districts. These funds shall be allocated in four equal installments during the 1983-84 fiscal year on September 1, December 1, February 1, and May 1.	
6100-101-945—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the State Child Nutrition Fund.....	25,286,000
6100-103-001—For local assistance, Department of Education, for the purposes of Section 903.7 of the Welfare and Institutions Code, Program 10.10—Foster Youth Services .....	716,000
6100-106-001—For local assistance, Department of Education for transfer to Section A of the State School Fund, for the purposes of Sections 1909, 2553.5, and 2558 of the Education Code, Program 10.10—School Apportionments .....	74,632,000

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## Provision:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1983-84 fiscal year pursuant to Article 3 (commencing with Section 2550) of Chapter 12 of Part 2, Sections 14002 and 14004 of the Education Code an amount as needed for apportionment pursuant to Section 2558 of the Education Code, excluding amounts for Regional Occupational Centers and Programs operated by County Superintendents of Schools.
2. In the event of a deficiency in the appropriation made in schedule (a) of provision 2 of Item 6100-101-001, or in this item, the Superintendent of Public Instruction may transfer funds between Item 6100-101-001 and this item with the approval of the Director of Finance. The superintendent shall adjust the apportionments made from funds appropriated for the purposes specified in schedule (a) of provision 2 of Item 6100-101-001 and in this item, so that the deficit factor applied to the funding entitlements is the same for each of the programs funded by these appropriations.
3. In the event that any bill is enacted which increases the amount of local property tax revenues that would otherwise have been available for programs funded by the appropriation in this item in the 1983-84 fiscal year, the Director of Finance shall estimate the amount of the increased revenues and shall notify the Joint Legislative Budget Committee of the estimated amount. No sooner than 10 days after the notification, the Director of Finance shall certify the amount to the Controller. The Controller shall, within 30 days of the receipt of the certification, revert from the appropriation provided in this item to the unappropriated surplus of the General Fund an amount as certified by the Director of Finance.



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6100-111-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, for the purposes of Article 10 (commencing with Section 41850) of the Education Code, Program 10.10—School Apportionments .....	149,418,000
6100-114-001—For local assistance, Department of Education, for transfer to the State Controller, for reimbursement of claims received pursuant to Sections 42243.6 and 42248 of the Education Code, Program 10.10—School Apportionments.....	168,811,000
Provision:	
1. Funds appropriated by this item are for reimbursement of amounts necessary to pay costs of integration programs in districts initially mandated by the courts, as defined in Section 2205 of the Revenue and Taxation Code pursuant to any final court order issued after January 1, 1978.	
2. The State Controller shall allocate funds appropriated in this item in accordance with the provisions of Sections 42243.6 and 42248. Pursuant to the provisions of Section 42243.8 of the Education Code, the State Controller shall reimburse claims, including claims for prior-year costs, received pursuant to Sections 42243.6 and 42248 of the Education Code only from funds appropriated specifically for that purpose by the Legislature. Any amount of claims in excess of the appropriation may be referred to the State Board of Control for review and possible inclusion in a subsequent claims bill.	
3. The State Controller shall forward to the Board of Control any claims received pursuant to Section 42243.6 of the Education Code for reimbursement of the costs of mandated activities not previously funded through a Budget Act appropriation or Board of Control claims bill. The Board of Control, upon receipt of such claims shall review all such claims to determine whether (1) a court, Federal, or initiative-enacted mandate exists, and (2) the costs are reasonable and necessary to satisfy the mandate. Based on its review the Board shall include in an omnibus claims bill an amount for reimbursement of reasonable and necessary costs.	

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<p>4. Funds appropriated by this item are for the purpose of funding desegregation programs under the provisions of Sections 42243.6 and 42248 of the Education Code in Los Angeles Unified, San Diego Unified, San Bernardino Unified, Stockton Unified, and San Francisco Unified School Districts.</p>	
<p>5. In the event funds in this item are reduced below the level approved by the Legislature, the Controller shall replace the funds from those funds, if any, in Item 6100-115-001, to the extent that funds are available in that item.</p>	
<p>6100-115-001—For local assistance, Department of Education, for transfer to the Controller, for reimbursement of claims received pursuant to the provisions of Item 6100-114-001 and claims received pursuant to Section 42249 of the Education Code, Program 10.10—School Apportionments.....</p>	8,750,000
Provisions:	
<p>1. The funds appropriated by this item shall first be used to replace any funds reduced from the amount approved by the Legislature in Item 6100-114-001.</p>	
<p>2. Any funds remaining after allocation under provision 1 shall be available for reimbursement of claims received pursuant to Section 42249 of the Education Code. In the event that funds are insufficient to reimburse all claims, the reimbursements shall be prorated.</p>	
<p>6100-116-001—For local assistance, Department of Education, School Improvement Program (10.20.020) Provisions:</p>	162,695,000
<p>1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund for direct disbursement by the Department of Education in lieu of the appropriations made for the 1983–84 fiscal year pursuant to subdivisions (a) and (b) of Section 75 of Chapter 894 of the Statutes of 1977, for the purpose of making allowances for the School Improvement Program and notwithstanding the third paragraph of Section 87 of Chapter 894 of the Statutes of 1977, and pursuant to Article 4 (commencing with Section 52046) of Chapter 6 of Part 28 of the Education Code according to the following schedule:</p>	
<p>(a) 10.20.020.010—For the purpose of making allowances for kindergar-</p>	

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ten and grades 1 to 6, inclusive....	136,797,000
(b) 10.20.020.020—For the purpose of making allowances for grades 7 to 12, inclusive.....	25,898,000
2. The Department of Education shall allocate the funds scheduled above to each district eligible to receive an allowance on the basis of the per unit of average daily attendance amounts specified in subdivision (b) of Section 52046 of the Education Code, adjusted on a pro rata basis to conform to the amounts scheduled above.	
3. The Department of Education may make adjustments in the above schedule so long as the total adjustments do not exceed 5 percent of the total amount appropriated. Such adjustments shall be reported to the Department of Finance and the Joint Legislative Budget Committee.	
6100-121-001—For local assistance, Department of Education, Economic Impact Aid (10.20.030) ..... Provisions:	171,737,000
1. Funds appropriated by this item for the Economic Impact Aid Program are for transfer by the State Controller to Section A of the State School Fund for direct disbursement by the Department of Education, in lieu of the appropriations made for the 1983–84 year pursuant to Sections 54053, 54054, and 54056 of the Education Code, and notwithstanding the second paragraph of Section 87 of Chapter 894, Statutes of 1977, for the purposes of the Economic Impact Aid Program, pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code. \$15,637,120 of the funds in excess of \$156,099,631 shall be allocated by the Superintendent of Public Instruction, pursuant to Section 54041 of the Education Code, to a limited number of districts with high concentrations of limited- and non-English-speaking pupils and other Economic Impact Aid pupils that receive insufficient funds through the Economic Impact Aid formula. The dollar amounts specified in the immediately preceding sentence shall be adjusted appropriately to reflect any additional funding provided in Item 6100-226-001 for a cost-of-living adjustment. No district receiving funds from the Economic Impact Aid Program shall be allocated less than \$5,000, adjusted annually and cumulatively from 1980–	

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81 by the same percentage adjustment for cost-of-living as the Economic Impact Aid Program received.	
2. From funds appropriated by this item, the Department of Education shall pay to the United States Department of Education the sum of \$2,-500,000, in settlement of the final audit determination identified as ACN 00002-09, Education Appeal Board Case No. 2-(57)-80. The Department of Education shall reduce the local assistance amount otherwise to be provided pursuant to this item to the school districts identified in the audit by multiplying \$2,500,000 by the ratio that the amount of the final audit determination relating to each district bears to the total amount of the final audit determination. The amount of the \$2,500,000 repaid to the state under the provisions of Section 456 of the General Education Provisions Act (20 U.S.C. 1234e) shall be apportioned to those districts in the same ratio and shall be expended by the districts in accordance with the settlement agreement entered into between the State Department of Education and the United States Department of Education in Education Appeal Board Case No. 2-(57)-80.	
6100-124-001—For local assistance, Department of Education, for the Gifted and Talented Program, for the purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code (10.80.010) .....	16,838,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for the 1983-84 fiscal year pursuant to Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code.	
6100-126-001—For local assistance, Department of Education, Miller-Unruh Reading Program (10.20.040) Provisions:	16,182,000
1. Funds appropriated by this item are for the Special Elementary School Reading Instruction Program pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code.	
6100-131-001—For local assistance, Department of Education, Program 10.20.050—Native American Indian Education .....	318,000

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6100-136-890—For local assistance, Department of Education, Program 10.20.060—payable from the Federal Trust Fund, ECIA, Chapter I .....	252,776,000
6100-141-890—For local assistance, Department of Education, Program 10.30.010—Migrant Education ECIA, Chapter I, payable from the Federal Trust Fund .....	63,442,000
Provisions:	
1. All school districts, county offices of education, and community college districts shall, upon request, make facilities available, at cost (including, but not limited to, the pro rata cost of janitorial services and other maintenance activities, utilities, and security services, as well as the cost of making any special repairs directly attributable to the migrant summer school programs), and, if available, facilities suitable for the summer climate for the operation of migrant summer school programs. The Superintendent may allow neighboring districts jointly to offer facilities if he determines that the use of one district's facilities for an area will adequately meet the needs of the migrant summer school program for the entire area. If the Superintendent of Public Instruction determines that requests from legitimate prospective users of such facilities were denied without due cause, the superintendent shall assess a penalty of one thousand dollars (\$1,000). The penalty amount shall be returned to Section A of the State School Fund.	
6100-146-001—For local assistance, Department of Education, Demonstration Programs in Reading and Math (10.30.040) .....	3,558,000
Provisions:	
1. Funds appropriated by this item are for demonstration programs in reading and mathematics pursuant to Chapter 4 (commencing with Section 58600) of Part 31 of the Education Code.	
6100-151-001—For local assistance, Department of Education, Program 10.30.050—American Indian Education Centers .....	750,000
Provisions:	
1. Funds appropriated by this item for Indian Education Centers are limited to carrying out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code.	

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6100-156-001—For local assistance, Department of Education .....	152,918,000
Schedule:	
(a) 10.50 Adult Education .....	153,005,000
(b) Reimbursements .....	—87,000
Provisions:	
1. \$151,719,000 of the funds appropriated by this item in category (a) are for transfer to Section A of the State School Fund, for the purposes of Section 52616 of the Education Code. None of the funds appropriated for the purposes of Section 52616 of the Education Code shall be used for the purposes of Section 41841.5 of the Education Code.	
2. \$1,199,000 of the funds appropriated in category (a) of this item are for transfer to Section A of the State School Fund for the purposes of Section 41841.5 of the Education Code. None of the funds appropriated for the purposes of Section 41841.5 of the Education Code shall be used for the purposes of Section 52616 of the Education Code.	
3. Notwithstanding Section 52616 of the Education Code, the average daily attendance used in computing each district's 1983–84 block entitlement shall be the lesser of 102.5 percent of the district's 1981–82 adult block entitlement average daily attendance computed pursuant to paragraph (1) of subdivision (b) of Section 52616 of the Education Code, excluding average daily attendance in regional occupational centers and programs, or the district's reported 1983–84 annual adult average daily attendance, excluding average daily attendance in regional occupational centers and programs.	
6100-156-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.50—Adult Education.....	9,288,000
6100-161-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children .....	755,980,000
Provisions:	
1. Funds appropriated by this item for Special Education are to be allocated only in accordance with provisions of Part 30 of the Education Code superseding all prior law.	

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2. The funds appropriated by this item for the Special Education Program shall be transferred for direct disbursement by the Department of Education from the State School Fund.
3. \$3.6 million or so much money as is necessary of the funds appropriated by this item shall be used to meet the matching requirement necessary to maximize the funds available under PL 94-482, Vocational Education, National Priority Programs for handicapped students.
5. Funds included for the purposes of Article 8 (commencing with Section 56770) of Chapter 7 of Part 30 of the Education Code shall not exceed \$80,260,000.
6. No more than \$350,000 of the funds appropriated by this item may be used for in-service training for special education teachers.
- 6.5. Notwithstanding provision 2 of Item 6100-161-001 of the Budget Act of 1982, as amended by Chapter 1201, Statutes of 1982, of the amount appropriated by this item, \$58,000,000 shall be used only to fund any deficiency in Item 6100-161-001 of the Budget Act of 1982.
7. At least \$71,141,000 of the amount appropriated in Item 6100-161-890 shall be allocated for local entitlements.
8. If the funds for Part B of the Education for all Handicapped Act, exclusive of the Pre-School Incentive Grant, which are actually received by the State exceed \$81,912,000, all funds received in excess of \$81,912,000 shall be allocated for local entitlements.
9. Funds included for the purposes of Article 9 (commencing with Section 56780) of Chapter 7 of Part 30 of the Education Code shall not exceed \$24,700,000.
10. For the 1983-84 fiscal year, notwithstanding Section 56760 of the Education Code, Local Plan Areas (LPAs) shall be eligible to receive state funding only for those instructional personnel units which were operated and funded at the second principal apportionment for the 1982-83 fiscal year, except as provided in this provision. \$3,000,000 of the funds appropriated by this item shall be allocated by the Superintendent of Public Instruction to fund new instructional personnel service units, notwithstanding subdivision (d) of Section

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56760 of the Education Code. In allocating the funds, the Superintendent of Public Instruction shall rank applicants on the basis of need, as determined by criteria which shall include, but need not be limited to: (1) increases in total K-12 enrollment, (2) higher-than-average caseloads per instructional personnel service unit for each instructional setting, and (3) lower-than-average percentages of K-12 population already enrolled in special education. In making this determination of need, the superintendent shall consider the special circumstances of sparsely populated areas.

12. Notwithstanding Provision 10, the Superintendent of Public Instruction may waive the instructional personnel unit growth restriction for severely handicapped units serving licensed children's institutions and foster family homes pupils if a determination is made by the superintendent that the special education local plan area meets the provisions of subdivision (a) of Section 56728.6 of the Education Code for loading of instructional units, and any one of the following factors would exist:
  - (1) There would be a problem of implementing an individualized education program because of an excessive class size or case-load.
  - (2) The amount of time the pupil would be required to spend being transported would be detrimental to the health and welfare of the pupil, or there would be an excessive transportation cost.
  - (3) There would be an inappropriate combination of placement or programs of handicapped pupils.

From the funds specified for growth in Provision 10, an amount not to exceed \$1,000,000 shall be available for waivers as stipulated above.

6100-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children .....

81,912,000

Provisions:

1. At least \$71,141,000 of the amount appropriated in this item shall be allocated for local entitlements.



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2. If the funds for Part B of the Education for All Handicapped Act, exclusive of the Pre-School Incentive Grant, which are actually received by the State exceed \$81,912,000, all funds received in excess of \$81,912,000 shall be allocated for local entitlements.	
6100-166-001—For local assistance, Department of Education, for the purpose of the Federal Job Training Partnership Act of 1982 .....	- 0 -
Schedule:	
(a) 10.70 Vocational Education .....	13,325,000
(b) Reimbursements .....	- 13,325,000
6100-166-890—For local assistance, Department of Education, Program 10.70—Vocational Education, payable from the Federal Trust Fund .....	53,221,000
6100-171-044—For local assistance, Department of Education, Program 10.80.020—Driver Training, payable from the Motor Vehicle Account, State Transportation Fund, for transfer to Section A of the State School Fund .....	17,336,000
Provisions:	
1. Notwithstanding the provisions of Sections 41304, 41306, and Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code, funding for driver training programs during 1983–84 shall be made exclusively from funds appropriated in this item. These funds shall be transferred by the State Controller to Section A of the State School Fund in amounts as needed by the Department of Education.	
2. The Department of Education shall allocate these funds among all participating school districts, county offices of education, and the California Youth Authority in accordance with the provisions of Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code, as last amended by Chapter 100, Statutes of 1981.	
6100-176-890—For local assistance, Department of Education, Program 10.40.030—Transition Program for Refugee Children payable from the Federal Trust Fund .....	7,637,000
6100-181-001—For local assistance, Department of Education, Curriculum Services, Educational Technology (20.10) .....	870,000

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6100-181-140—For local assistance, Department of Education, Program 20.10—Curriculum Services, payable from the California Environmental License Plate Fund.....	399,000
6100-186-001—For local assistance, Department of Education, Instructional Materials Management and Distribution (20.20.020) .....	40,678,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller, in lieu of the appropriation provided for in Section 60246 of the Education Code, to the State Instructional Materials Fund, for allocation during the 1983–84 fiscal year, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1984.	
2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.	
3. Notwithstanding the provisions of Part 33 (commencing with Section 60000) of the Education Code, and pursuant to the August 27, 1981 decision of the California Supreme Court in California Teachers' Association vs. Riles, no part of the funds appropriated herein shall be used to provide instructional materials for nonpublic schools or students.	
6100-191-001—For local assistance, Department of Education, Staff Development (20.50) .....	11,226,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, for direct disbursement by the Department of Education, in lieu of the amount which would otherwise be appropriated for staff development and resource centers pursuant to subdivisions (a) and (b) of Section 74 of Chapter 894 of the Statutes of 1977. Funds appropriated in this item are for the purpose of making allowances pursuant to Article 1 (commencing with Section 44670) and Article 2 (commencing with	

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Section 44680) of Chapter 3.1 of Part 25, Article 10 (commencing with Section 44630) of Chapter 3 of Part 25, and Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code, according to the following schedule:

- |  |           |
|--|-----------|
| (a) School Personnel Staff Development (20.50.010) .....             | 3,354,250 |
| (b) Teacher Education/Computer Centers (20.50.020) .....             | 6,303,000 |
| (c) Bilingual Teacher Training Centers (20.50.020) .....             | 735,000   |
| (d) Instruction Development and Exemplary Programs (20.50.030) ..... | 833,750   |
2. The \$4 reimbursement rate specified in Section 2 of Chapter 966 of the Statutes of 1977, shall be increased to four dollars and sixty-two cents (\$4.62), adjusted, as appropriate, according to the amount of the additional funds, if any, provided in Item 6100-226-001 for a cost-of-living adjustment, for the purpose of allocating funds scheduled in category (a).
  3. Funds appropriated in this item for staff development activities shall aid teachers and site administrators across the curriculum, including support for science, mathematics, computer education, reading, writing, the humanities, and the arts. Funding proposals developed by Teacher Education Centers and local school site councils shall specify what varieties of curriculum areas, teachers and site administrators will be assisted. Curriculum-wide staff development in areas other than mathematics and science skills shall be supported in each of 15 regions by funds appropriated in this item.
  4. In lieu of the amount that would be provided by Section 52484 of the Education Code, or any other provision of law to the contrary, an amount not to exceed \$150,000 from the funds specified in category (d) of this item shall be available for funding average daily attendance of the Institute for Computer Technology in accordance with Article 8 (commencing with Section 52480) of Chapter 9 of Part 28 of the Education Code, and this shall be the only amount of state funds appropriated in this act available for funding the Institute for Computer

Item	Amount
<b>Technology.</b>	
6100-192-001—For local assistance, Department of Education for allocation to the Mathematics, Engineering, and Science Achievement (MESA) Program Provisions:	1,351,000
1. The funds appropriated by this item shall not be available for expenditure unless \$675,500 in matching funds are obtained for this program on or before June 30, 1984.	
If less than \$675,000 in matching funds are obtained, then the amount allocated for this program shall be reduced to the amount of matching funds provided. The reduction shall be applied pro rata. Upon certification by the program of available matching funds, the Superintendent of Public Instruction shall transfer the amount specified to the Mathematics, Engineering Science Achievement Program.	
6100-196-001—For local assistance, Department of Education .....	248,546,000
<b>Schedule:</b>	
(a) 30.10 010-Preschool ... ..	30,341,000
(b) 30.10.020-Child Care Services.....	218,205,000
<b>Provisions:</b>	
1. Funds appropriated by this item, in category (a), are for apportionment to school districts and other eligible agencies maintaining preschool programs pursuant to Article 7, Chapter 2 (commencing with Section 8235) of Part 6 of the Education Code. Cost-of-living increases provided for in category (e) of Item 6100-226-001 for preschool programs shall be distributed on a pro rata basis except as otherwise provided in that item.	
2. Funds appropriated by this item in category (b) and \$1,957,000 appropriated from the Federal Trust Fund, Item 6100-196-890, are for child development programs, for allocation to school districts and other eligible agencies maintaining children's centers and child care programs pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code according to the following schedule:	
(a) General child development programs .....	177,086,000
(b) Campus children's centers .....	5,224,000
(c) High-school-age parenting and infant development .....	4,363,000
(d) Migrant day care.....	7,613,000

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(e) Special allowances for rent.....	366,000
(f) Special allowances for hand- icapped .....	614,000
(g) Alternative payment program.....	16,589,000
(h) Resource and referral .....	4,822,000
(i) Transfer from the Federal Trust Fund .....	-1,957,000
(j) Campus child care tax bailout .....	3,477,000
(k) Special allocation for administra- tive hearing .....	8,000
Funds scheduled in category (a) of this provision for county child care services shall be allocated sub- ject to the requirements of Education Code Section 8279.	
3. Funds appropriated in category (a) of this provi- sion include funds to continue support for child care programs supported in Fiscal Year 1980-81 with Federal Title XX funds.	
4. Funds appropriated in Item 6100-226-001, cate- gory (o) for cost-of-living increases for child de- velopment programs shall be distributed on a pro rata basis among categories (a) through (h) inclusive, and category (j) of provision 2 except as otherwise provided in Item 6100-226-001.	
5. Community college districts which levied child development permissive override taxes pursu- ant to Sections 8329 and 8330 of the Education Code in the 1977-78 fiscal year and received fis- cal relief through Chapter 282 of the Statutes of 1979 shall not receive reimbursement for child care services from the superintendent in excess of 75 percent of the average daily enrollment funding standards for campus child care pro- grams. Campus child care programs operated by the University of California, California State University and Colleges, and community col- leges that did not levy a permissive override tax in the 1977-78 fiscal year shall receive reim- bursement from the superintendent which equals 100 percent of the average daily enroll- ment funding standards for campus child care programs.	
6. The \$3,477,000 appropriated by this item for Campus child care tax bailout shall be allocated by the Department of Education on order of the Chancellor of the California Community Col- leges. The Chancellor shall order the allocation of these funds to community college districts	

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- which levied child care permissive override taxes in 1977-78 pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child development program for the 1979-80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child development programs.
7. Child care program funds scheduled for migrant day care services shall, in part, be allocated to agencies for the provision of services within State-funded migrant housing centers, and further for the priority provision of services to the resident children.
  8. Notwithstanding any other provision of law, agencies maintaining child care and child development programs in migrant housing centers shall be responsible to the local housing agency contracting with the state, for use of facilities within the migrant housing center.
  9. Notwithstanding the provisions of Section 8262 of the Education Code and Sections 14616 and 14780 of the Government Code, the Superintendent of Public Instruction may enter into and execute local agreements for allocation of the funds appropriated in category (b) of this item and, to the extent permissible under federal law, for allocation of the funds appropriated in Item 6100-196-890 to any public or private entity or agency for (a) the delivery of child care and development services or (b) the furnishing of property, facilities, personnel, supplies, equipment, or administrative services related to the delivery of child care and development services. Prior to entering into or executing such local agreements, however, the Department of Education shall obtain approval from the Department of General Services and the Department of Finance as to the form and general content thereof. Such agreements may only be made for the delivery of child care and development services, or the furnishing of property, facilities, personnel, supplies, equipment, or administrative services related thereto, which conform to the

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- provisions of Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code, excluding Section 8262.
10. Pursuant to the provisions of Section 8250 of the Education Code, the Superintendent of Public Instruction may allocate funds appropriated by this item to continue to provide reimbursements to child care and development programs serving severely handicapped children which received state funding during the 1980-81 fiscal year.
  11. The definition of a full-time child day of enrollment shall be modified for the 1983-84 fiscal year to allow the reimbursement factors listed below:
    - Under 4 hours per day  $\frac{1}{2}$  time eligible for 50% of the assigned reimbursement rate.
    - 4-6.5 hours per day  $\frac{3}{4}$  time eligible for 75% of the assigned reimbursement rate.
    - 6.5-10.5 hours per day full time eligible for 100% of the assigned reimbursement rate.
    - 10.5 hours per day and over  $1\frac{1}{2}$  time eligible for 150% of the assigned rate.

All other components of the existing reimbursement system shall remain the same while the Department of Education conducts a comprehensive review of the reimbursement system.
  12. Notwithstanding Section 8402 of the Education Code, the Department of Education shall conduct an administrative hearing during the 1983-84 fiscal year, to hear the appeal of the Kings County Community Action Organization regarding their repayment agreement with the Department of Education. Until a formal decision is reached by the department on this appeal, the repayments of this agency to the department pursuant to the repayment agreement are temporarily suspended. If the administrative hearing results in a judgment in favor of the Department of Education, the payments of the agency pursuant to the repayment agreement shall immediately resume until the remaining obligation of the agency to the state as stipulated in the agreement has been repaid.
- If the administrative hearing results in a judgment in favor of the agency, the depart-

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ment shall use as much of the funds provided by schedule (k) of Provision 2 of this item as is necessary pursuant to their judgment to refund any or all of the previous payments made by the agency pursuant to the repayments agreement and the agreement shall immediately be either renegotiated or terminated, as is appropriate based upon the judgment.

13. (a) Notwithstanding Section 13340 of the Government Code, or any other provision of law to the contrary, any child development funds allocated to provider agencies but unearned by those agencies at the end of the 1982-83 fiscal year shall be reappropriated for expenditure by June 30, 1984, for purposes of subdivisions (b) and (c) of Section 8278 of the Education Code and transferred to a special account for child development carry-over funds to be established and maintained by the Department of Education.
- (b) The Superintendent of Public Instruction shall redistribute carry-over funds among ongoing provider agencies, for the Department's accounts payable, for the purchase of Department of Education approved materials, or for one-time only capital outlay pursuant to Section 8277.7 of the Education Code or for one-time only services, or for any combination of the above, that will directly benefit the children enrolled in the programs during subsequent fiscal years.
- (c) First priority for the redistribution of carry-over funds shall be given to those agencies which are due past year's payments as determined from audits by the Department of Education.
- (d) In order to maintain the viability of alternative payment programs and to maximize services provided by this program, the Department of Education shall establish and maintain a contingency fund for alternative payment programs. This fund shall be used to reimburse actual and allowable costs incurred for additional services. Applicants may apply for an amount not to exceed \$5,000 or 2 percent of the



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contract amount, whichever is greater. This fund shall be established from alternative payment program fund balances. Applicants receiving funds for two consecutive years under this section may not apply the following year.

Notwithstanding Section 13340 of the Government Code, or any other provision of law to the contrary, money for this fund shall be provided by reappropriating the unencumbered balances of the Budget Act appropriation for the alternative payment program for expenditure by June 30, 1984.

- (e) The Superintendent of Public Instruction, in cooperation with the Department of Finance and the Auditor General, shall, on or before July 1, 1983, provide for a plan for independent audit of state and federal funds allocated to private agencies which are under contract with the Department of Education for the provision of educational services.

For the purpose of this provision, "educational services" includes, but is not limited to, child nutrition and child development services.

To the maximum extent possible, the plan shall conform to audit procedures established pursuant to Section 41020.5 of the Education Code.

- (f) Effective July 1, 1983, the Department of Education, as a condition to any contract with a private agency for the provision of educational services, shall require a periodic audit of state and federal funds to be conducted by departmental staff auditors or a certified public accountant or public accountant who is licensed by the California State Board of Accountancy. The audit shall be limited to those state and federal funds accruing to the private agency as a result of its contract with the Department of Education.
- (g) If in the course of audits of a private agency, an audit exception is reported by the certified public accounting firm in excess of a material amount, as determined

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by the Superintendent of Public Instruction, the Superintendent of Public Instruction shall, upon final determination by the superintendent of the amount of the audit exception, collect the audit exception and redistribute the amount collected to the same class of program, or withhold the amount of the audit exception from the next payment to the agency in which the audit exception was discovered. Notwithstanding Section 13340 of the Government Code, or any other provision of law to the contrary, the funds collected or withheld shall be reappropriated for expenditure on or before June 30, 1984, and transferred to a special account for child development audit recovery funds to be established and maintained by the Department of Education.

- (h) The Department of Education shall establish a schedule for audits which meets federal regulations and which covers all contract periods from the last previous audit.
- (i) The Department of Education may exempt from the provisions of this section those agencies for which, in the department's estimation, the cost of an audit would be inordinate in relation to the level of funding received by the private agency for the educational services provided.

6100-196-890—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Federal Trust Fund .....	1,957,000
6100-198-036—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Special Account for Capital Outlay .....	1,100,000
6100-201-001—For local assistance, Department of Education, Program 30.20—Child Nutrition .....	25,286,000

## Provisions:

1. Funds appropriated by this item are for child nutrition programs pursuant to the provisions of Section 41311 and clause (3) of subdivision (a) of Section 41312 of the Education Code; and that claims for reimbursement of meals pursuant to this appropriation shall be submitted by school districts not later than September 30, 1983, to be eligible for reimbursement.

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2. Notwithstanding any other provisions of law, funds appropriated by this item shall be available for allocation in accordance with provisions of Section 49536 of the Education Code, except that such allocation shall not be made on the basis of all meals served but shall be made on the basis of the number of meals that are served and which qualify as free or reduced priced meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.	
3. Notwithstanding provisions of Sections 42238(g) (3) and 49536 of the Education Code, the adjustment in 1983-84 to the 1982-83 reimbursement rate for meals for needy pupils shall be limited to the amount provided in this act in lieu of the cost adjustment factor based on the "Food Away from Home Index".	
6100-201-890—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the Federal Trust Fund. ....	296,709,000
6100-206-001—For local assistance, Department of Education, Program 30.40—Urban Impact Aid and Meade Aid .....	67,103,000
(a) Urban Impact Aid for the purpose of Section 54060 of the Education Code .....	58,003,000
(b) Meade Aid for the purpose of Section 54061 of the Education Code .....	9,100,000
6100-211-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development .....	5,520,000
Provisions:	
1. Funds appropriated by this item are for allocation by the California Library Services Board to eligible libraries and library systems pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code.	
6100-211-890—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development, payable from the Federal Trust Fund .....	6,116,000
6100-221-001—For local assistance, Department of Education, California State Library, Program 50.20—Public Library Foundation Program .....	12,500,000

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Provisions:	
1. Notwithstanding Sections 18024, 18025, and 18031 of the Education Code, or any other provisions of law, the funds appropriated in this item shall be available for allocation beginning on January 1, 1984, in accordance with the provisions of Chapter 1498 of the Statutes of 1982.	
6100-226-001—For cost-of-living increases, Department of Education, payable from the General Fund, to be transferred by the Department of Education upon approval by the Department of Finance .....	544,157,275
Schedule:	
(a) 10.10—School Apportionments:	
(1) K-12 Districts, in lieu of the amount which would otherwise be appropriated for the purpose of subdivision (h) of Section 42238 of the Education Code (for transfer to Item 6100-101-001) .....	447,014,000
(2) Special Adjustment for Low-Wealth Districts, (for transfer to Item 6100-101-001) .....	33,967,000
(2.1) K-12 Districts, for the purposes of Sections 8152, 42240, 42240.1, and 42241.2 of the Education Code (for transfer to Item 6100-101-001) .....	1,170,275
(3) Transportation, for the purpose of subdivision (b) of Section 41856 of the Education Code (for transfer to Item 6100-111-001) .....	4,482,000
(4) K-12 County Offices of Education, in lieu of the amount which would otherwise be appropriated for the purposes of Section 2557 and subdivision (a) (2) of Section 2551.3 of the Education Code (for transfer to Item 6100-106-001) .....	4,406,000
(5) Regional Occupational Centers and Programs, for the purpose of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code, in lieu of the amount which would otherwise be appropriated for inflation adjustments pursuant to Sections 2557 and 42238 of the Education Code (for transfer to Item 6100-	

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101-001) .....	5,024,000
(b) 10.30.50—American Indian Education Centers (for transfer to Item 6100-151-001) .....	24,000
(c) 10.50—Adult Education:	
(1) in lieu of the amount which would otherwise be appropriated for the purpose of subdivision (a) of Section 52616 of the Education Code (for transfer to Item 6100-156-001) .....	1,392,000
(2) Adults in Correctional Facilities, for the purpose of Section 41481.5 of the Education Code (For transfer to Item 6100-156-001) .....	36,000
(d) 10.60—Special Education:	
(1) in lieu of the amount which would otherwise be appropriated for the purpose of Section 56723 of the Education Code (for transfer to Item 6100-161-001) .....	33,097,000
(2) in lieu of the amount which would otherwise be appropriated for the purpose of Section 56782 of the Education Code (for transfer to Item 6100-161-001) .....	744,000
(3) for the purpose of Article 8 (commencing with Section 56770) of Chapter 7 of Part 30 of the Education Code (for transfer to Item 6100-161-001) .....	2,408,000
(e) 30.10.10—Preschool Education (for transfer to Item 6100-196-001) .....	909,000
(f) 30.10.20—Child Care Services (for transfer to Item 6100-196-001) .....	6,546,000
(g) 30.20—Child Nutrition, in lieu of the amount which would otherwise be appropriated for the purpose of Section 49536 of the Education Code (for transfer to Item 6100-201-001) .....	760,000
(h) 30.40—Urban Impact Aid and Meade Aid (for transfer to Item 6100-206-001) .....	2,013,000
(i) 50.20—Division of Libraries (for transfer to Item 6100-211-001) .....	165,000
Provisions:	

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1. Of the amount provided in paragraph (2.1) of category (a) of this item, \$525,540 shall be available only for the purposes of Sections 42240 and 42240.1 of the Education Code, \$568,324 shall be available only for the purposes of Section 42241.2 of the Education Code in lieu of any increased amount which would otherwise be appropriated, and \$76,411 shall be available only for the purposes of Section 8152 of the Education Code. In allocating this amount to districts, the Superintendent of Public Instruction shall increase the prior year amount per unit of average daily attendance, per pupil, or per hours, as appropriate, by 3 percent. In allocating funds to districts for the purposes of Section 42241.2 of the Education Code, the Superintendent shall adjust each district's apportionment for changes in pupil participation.
  2. In allocating the amounts provided in subdivisions (1) and (2) of category (d), the Superintendent of Public Instruction shall increase the unit rates computed pursuant to Section 56722 of the Education Code and the amounts per unduplicated pupil provided pursuant to Section 56781 of the Education Code by 3 percent.
  3. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall allocate the amounts provided in paragraph (1) of category (a) pursuant to Section 42238 of the Education Code, except that the maximum inflation adjustment, as specified in subdivision (f) of that section, shall be \$110 for the 1983-84 year.
- 6100-490—Reappropriation, Department of Education. Notwithstanding any other provision of law, on the effective date of this act, the specified balances of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and any additional purposes provided in this section, and shall be available for expenditure until June 30, 1984:
- 001—General Fund
- (1) Section 23.4 of Chapter 798 of the Statutes of 1980, as amended by Section 15.5 of Chapter 209 of the Statutes of 1982, the unallocated or unexpended balances, for the purposes specified in Sections 8277.1 to 8277.7, inclusive, of the Education Code, relating to the renovation and repair of child care facilities to insure com-

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- pliance with state and local health and safety standards, and acquisition and lease of relocatable facilities.
- (2) Item 6100-146-001 Budget Act of 1982, the undisbursed balance, for the performance of evaluations of Demonstration Programs in Reading and Mathematics.
  - (3) Item 352(c) Budget Act of 1980, the undisbursed balance, for the independent evaluation of the Gifted and Talented Program.
  - (4) Item 6100-196-001, Budget Act of 1982, an amount not to exceed \$250,000 of the undisbursed balance of the funds specified in subdivision (a) of provision 2 of that item for the purposes of one-time grants to eligible recipient agencies as specified in Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code for the promotion and development of employer-sponsored child development programs.
  - (5) Item 6100-181-001, Budget Act of 1982, the undisbursed balance for the purposes specified in that item relating to educational technology.
  - (6) Item 6100-191-001, Budget Act of 1982, the undisbursed balance of the amount to be disbursed pursuant to subdivision (d) of provision 1 of that item, as modified by provision 6 of that item, relating to instruction development and exemplary programs.
  - (7) Section 2 of Chapter 472 of the Statutes of 1982, the undisbursed balance to reimburse local agencies and school districts for costs mandated by Chapter 472 of the Statutes of 1982, relating to student immunization records.
  - (8) Item 6100-196-001, Budget Act of 1982, from the undisbursed balance of the funds specified in subdivision (a) of provision 2, the amount of \$208,984, or as much thereof as is available, for allocation upon the order of the Superintendent of Public Instruction to the Milpitas Unified School District for the purposes of paying the \$208,984 installment, due April 10, 1983, on the loan obtained by that district to construct two relocatable child development facilities, or for the purposes of repaying any loan of funds for which the district may have arranged to pay the \$208,984 installment which was due on April 10, 1983.

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(9) Item 6100-001-001, Budget Act of 1982, \$8,242.15 from the undisbursed balance of the funds specified in category (d) of the item schedule, as certified by the Superintendent of Public Instruction, for the purpose of reimbursing the Department of Education for the costs incurred by it on behalf of the Superintendent of Public Instruction-elect between November 3, 1982, and January 3, 1983. It is the intent of the Legislature that this reappropriation not be considered a precedent or in any way express endorsement of future unauthorized expenditures.	
6100-495—Reversion, Department of Education. Notwithstanding any provisions of law, as of June 30, 1983, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:	
001—General Fund	
(1) Chapter 1498, Statutes of 1982, the amount appropriated to the Public Library Fund.	
(2) Chapter 1134, Statutes of 1979, for Dental Disease Prevention Education.	
6300-101-001—For transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System .....	211,313,000
Provisions:	
3. The amount transferred by this item is in lieu of the amount that would otherwise be transferred during the 1983-84 fiscal year pursuant to Sections 23401 and 23402 of the Education Code.	
6300-111-001—For transfer to the Retirees' Purchasing Power Protection Account within the State Teachers' Retirement Fund pursuant to Section 24701 of the Education Code, for the payment of increased annual cost-of-living adjustments for retirants, disabilitants, and beneficiaries in excess of the 2-percent adjustment authorized by Section 22131 of the Education Code .....	20,500,000
6320-001-001—For support of the California Advisory Council on Vocational Education and Technical Training .....	25,000
Schedule:	
(a) 100000-Personal Services .....	136,000
(b) 300000-Operating Expenses and Equipment .....	89,000



Item	Amount
(c) Amounts payable from the Vocational Education Federal Fund (Item 6320-001-887).....	-200,000
6320-001-887—For support of the California Advisory Council on Vocational Education and Technical Training, to be transferred to Item 6320-001-001, payable from the Vocational Education Federal Fund .....	200,000
Provisions:	
1. The funds appropriated from the Vocational Education Federal Fund are available for support after transfer from the Federal Trust Fund.	
6330-001-890—For support of the California Occupational Information Coordinating Committee payable from the Federal Trust Fund .....	125,000
(a) 100000-Personal Services .....	99,000
(b) 300000-Operating Expenses and Equipment .....	26,000
6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund.....	5,600,000
Schedule:	
(a) 100000-Personal Services .....	2,866,000
(b) 300000-Operating Expenses and Equipment .....	2,734,000
Provisions:	
1. The provisions applicable to Item 9840-001-494 shall not apply to the authorization of a deficiency for the purpose of funding professional standards review for the Commission on Teacher Credentialing, and the Director of Finance may authorize a deficiency expenditure for that purpose pursuant to Section 11006 of the Government Code, except that any authorizations for additional expenditures shall be subject to Section 28 of this act.	
2. If the number of credentials processed by the commission during the 1982-83 fiscal year is less than 100,000, the Department of Finance shall reduce the number of authorized positions for the commission in an amount proportional to the difference between 100,000 and the number of credentials actually processed and 100,000, and report this reduction to the Legislature by September 1, 1983.	

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3. The Department of Finance is authorized to augment the commission's budget in an amount necessary to pay the actual amounts charged by the Department of Justice for fingerprint processing but not to exceed an augmentation of \$195,000.	
4. The Commission on Teacher Credentialing shall reduce the credential fee for the 1983-84 fiscal year from \$40 to \$35.	
6420-001-001—For support of California Postsecondary Education Commission .....	2,550,000
Schedule:	
(a) 100000-Personal Services .....	1,986,000
(b) 300000-Operating Expenses and Equipment .....	592,000
(c) Reimbursements .....	-26,000
(d) Amount payable from the Federal Trust Fund (Item 6420-001-890) ..	-2,000
6420-001-890—For support of California Postsecondary Education Commission, to be transferred to Item 6420-001-001, payable from the Federal Trust Fund	2,000
6440-001-001—For support of University of California	1,123,323,000
Schedule:	
(a) Support.....	1,113,253,000
(b) Undergraduate Teaching Excellence .....	1,849,000
(c) Planning of a Medical Education Program in the Fresno-San Joaquin Valley Region .....	106,000
(d) Medical Education Program—Berkeley.....	1,136,000
(e) Biomedical Education Program—Riverside .....	1,029,000
(f) Charles Drew Medical Program ..	5,205,000
(g) Podiatry Program .....	745,000
Provisions:	
1. The appropriations from these funds are exempt from Section 31 of this act.	
2. None of the funds appropriated may be expended to initiate major capital outlay projects, either by contract or lease-purchase agreement, without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be reported under the provisions of Section 28 of this act.	
3. (a) The funds appropriated in category (f) are for support of University of California program of clinical health sciences education,	

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research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973.

- (b) From the amount in category (f), \$365,000 shall be used to establish an institute for the study and formulation of social policy at Charles R. Drew Postgraduate Medical School.

The institute shall be assisted by a 15-member Community Advisory Board in developing policy. The members of the board shall consist of the following:

Four representatives from the following civil rights organizations: the President of the Los Angeles Chapter of the NAACP; the Executive Director of the Southern Christian Leadership Conference; the Executive Director of the Urban League; and one representative from a community service organization in the immediate area.

The Executive Director of the Black Women's Forum.

The President of the Council of Black Administrators.

The President of the Black Agenda.

The Assemblymember representing the district.

The Senator representing the district.

The President of the Black Social Workers.

The Speaker of the Assembly or his representative.

The President pro Tempore of the Senate or his representative. Three appointments by the Dean of Charles R. Drew Medical School of persons having backgrounds in the following areas: Ph.D. in Anthropology; Ph.D. in Black Studies; and expert researcher in ethnic affairs.

The board shall adopt bylaws and rules to establish policy for the institute, including, but not limited to, the hiring of a director, development of the research program, accounting procedures, admissions, acceptance policy for interns, scholars and scholarships and fellowships.

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The institute shall submit to the Legislature, by March 31, 1984, a report, which shall include, but need not be limited to, information on all research studies and projects.

- (c) From the amount in category (f), the University of California is authorized to establish 11 new permanent faculty positions for the full 1983-84 academic year and 7 new permanent faculty positions for three months of the 1983-84 academic year. It is the intent of the Legislature that 38 permanent faculty positions be fully funded through the 1984 Budget Act.
- 4. The University of California shall ensure by adequate controls that funds appropriated by schedule (f) are expended solely for the support of such programs.
- 5. The funds appropriated by schedule (g) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric medicine as provided for in Sections 1 and 4, inclusive, of Chapter 1497, Statutes of 1974.
- 6. Of the amount in schedule (a), \$2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.
- 7. Of the amount in Schedule (a), \$1,040,000 shall be available for expenditure only to promote research and education in the areas of engineering, computer sciences and related basic sciences.

Of the amount in category (a), \$2,900,000 shall be available for expenditure to support research of Acquired Immune Deficiency Syndrome.

- 8. \$2,080,000 of the amount in Schedule (a) shall be available only for microelectronics research, and shall be expended subject to the oversight and policy direction of a committee, to be appointed by the president of the university and to consist of equal numbers of state government, university, and electronics or semiconductor, or both,

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industry representatives, for the purposes of advancing appropriate research and graduate education in microelectronics research, including innovative research in microelectronics technology, its applications in computer and information sciences, and its necessary antecedents in other physical science disciplines.

The expenditure of the \$2,080,000 available for microelectronic research shall also be subject to the following conditions:

- (1) The university may utilize no more than \$104,000 of the \$2,080,000 for administrative and related costs.
  - (2) The university may utilize no more than \$208,000 of the \$2,080,000 as support for graduate student education and related professional teaching support.
  - (3) To the extent possible, expenditures subject to the limits in paragraphs (1) and (2) shall be reimbursed through the joint research projects specified in paragraph (4).
  - (4) The balance of the appropriation shall be used to fund industry/academic joint research projects for the policy purposes noted above, on a project-by-project basis, with a one-to-one match in total from the \$2,080,000 and an industry contribution respectively.
9. It is the intent of the Legislature that, of the amount appropriated in this item, \$79,000,000, which otherwise would have been applied toward employer contributions to the University of California Retirement System, is hereby deferred for the 1983–84 fiscal year and will be amortized by supplemental appropriations to be included in the Budget Act for the 1984–85 fiscal year and each subsequent year thereafter, for a period not to exceed 30 years. These supplemental appropriations will be in addition to other appropriations for the support of the university and will be in amounts which, in total, will be the actuarial equivalent of the amount deferred pursuant to this act.
10. The Regents of the University of California shall not increase student fees for the 1983–84 academic year above the level approved by the Legislature in enacting the Budget Act of 1983.

Item	Amount
11. The Director of Finance shall determine whether the federal Rehabilitation Services Administration (RSA) has notified the state in writing that the Department of Rehabilitation must authorize and certify, on an individual client basis, the provision of reader and interpreter services to the department's clients who attend the University of California, whenever those services are supported by federal funds made available pursuant to Section 110 of the Rehabilitation Act of 1973. If the director determines that the RSA has not imposed such a requirement, then the director shall unallot and revert to the General Fund \$76,000 of the amount scheduled in this item and increase the amount of reimbursements scheduled in this item by \$76,000.	
6440-001-046—For support of University of California, Institute of Transportation Studies, payable from the Transportation Planning and Development Account, State Transportation Fund .....	903,000
6440-001-140—For support of University of California, Agroecology Program, payable from the California Environmental License Plate Fund .....	222,000
6440-001-144—For support of University of California, Research in Mosquito Control, payable from the California Water Fund .....	100,000
6440-001-146—For support of University of California, payable from the Capital Outlay Fund for Public Higher Education .....	18,983,000
Schedule:	
Provisions:	
(a) Replacement of Instructional Equipment .....	13,649,000
(b) Deferred Maintenance and Special Repair Projects .....	5,334,000
Provisions:	
1. The funds appropriated by schedule (b), notwithstanding the provisions of Section 2 of this act, shall be available for expenditure until June 30, 1985.	
6440-001-189—For support of University of California, payable from the Energy Account, Energy and Resources Fund .....	659,000
Schedule:	
(a) Energy Institute .....	147,000
(b) Utilities Conservation .....	254,000
(c) Institute of Appropriate Technology .....	258,000

Item	Amount
Provisions:	
1. Of the funds appropriated by schedule (a), no expenditure may be made unless the University contributes \$100,000 to the program from funds not appropriated by this act.	
6440-301-146—For capital outlay, University of California, payable from the Capital Outlay Fund for Public Higher Education .....	8,149,000
Schedule:	
Universitywide:	
(1) Minor capital outlay .....	1,009,000
Davis Health Sciences:	
(3) Annual payment toward the purchase of Sacramento Medical Center .....	200,000
Los Angeles—Drew Postgraduate Medical School—Health Sciences:	
(4) Equip Charles R. Drew Postgraduate Medical School, medical education center .....	902,000
(4.1) Construct clinical sciences third floor completion .....	2,247,000
Irvine Campus:	
(5) Equip social ecology building .....	563,000
Santa Cruz Campus:	
(6) Equip Thimann laboratories building alterations .....	80,000
(7) Equip completion of applied sciences building basement .....	115,000
Davis Campus:	
(8) Working drawings for food and agricultural sciences building .....	525,000
Berkeley Campus:	
(9) Partial preliminary plans for life sciences building addition .....	893,000
Santa Barbara Campus:	
(10) Partial working drawings for engineering unit 2 .....	559,000
Berkeley Campus:	
(11) Correct California Administrative Code deficiencies, high-rise fire and life safety .....	790,000
San Francisco Health Sciences:	
(12) Preliminary plans and working drawings for California Administrative Code deficiencies, high-rise fire protection .....	266,000

Item	Amount
Provisions:	
1. Withdrawals shall be as required to meet current obligations as certified by the University of California for projects scheduled in this item.	
2. Notwithstanding the provisions of Section 2 of this act, the appropriations made in this item for equipment items shall be available for expenditure only during the 1983-84 and 1984-85 fiscal years.	
<b>6440-301-189</b> —For capital outlay, University of California, payable from the Energy Account, Energy and Resources Fund .....	660,000
Schedule:	
Riverside Campus:	
(2) Construct electrical centrifugal chiller .....	660,000
Provisions:	
1. Provisions 1 and 2 of Item 6440-301-146 are applicable to this item.	
<b>6440-401</b> —The Regents of the University of California shall not undertake any project funded from the Health Sciences Hospital Reserve Fund, which is in excess of \$150,000, unless the scope and cost of any such project is approved by the Director of Finance and 30 days written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine. Any project funded from the Health Sciences Hospital Reserve Fund, of less than \$150,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee by December 1 of each fiscal year. For purposes of this section the definition of a project does not include equipment projects. Any urgent project concerned with patient life or safety may proceed without prior approval or notification but such project shall be identified in the report provided each December 1.	
<b>6600-001-001</b> —For support of Hastings College of the Law .....	7,517,000
Schedule:	
(a) 100000-Personal Services .....	7,245,000
(b) 300000-Operating Expenses and Equipment .....	3,716,000
(c) Reimbursements .....	-2,628,000
(d) Amount payable from the Federal Trust Fund (Item 6600-001-890) ..	-816,000



Item	Amount
6600-001-890—For support of Hastings College of the Law, to be transferred to Item 6600-001-001, amount payable from the Federal Trust Fund .....	816,000
6610-001-001—For support of Trustees of the California State University and the California State University Schedule:	988,318,713
(a) 01-Instruction .....	667,202,000
(b) 03-Public Service .....	810,000
(c) 04-Academic Support .....	126,118,129
(d) 05-Student Service .....	86,696,000
(e) 06-Institutional Support .....	274,037,700
(f) 07-Independent Operations.....	48,888,000
(h) Reimbursements .....	215,631,116
(i) Special Adjustment—Cost of Living Increase .....	198,000

## Provisions:

1. The funds appropriated in this item shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions with the following exceptions:

- (a) The trustees may transfer excess salary savings funds from the salary savings reserve allotments to expenditure allotments provided such transfers do not exceed 20 percent of salary savings. Excess salary savings funds are those in excess of the amount budgeted.
- (b) The trustees may approve transfer of funds between one or more of the programs for which funds are appropriated for the support of the California State University.

Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.

2. The funds appropriated in this item may be reallocated upon order of the Trustees of the California State University subject to being reported to the Department of Finance; provided that no instructional faculty positions authorized for the 1983-84 fiscal year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research.
3. No portion of the funds appropriated in this item for instructionally related activities may be expended for intercollegiate athletics.

Item	Amount
<p>4. Reimbursements in excess of the amount budgeted for nonresident tuition in this item, program 01, Instruction, shall revert to the General Fund, unless authorized for expenditure by the Department of Finance with written notification to the Joint Legislative Budget Committee and the committee in each house which considers appropriations; and, that expenditures from such reimbursement shall not be authorized sooner than 30 days after notification of such approval in writing has been delivered to the chairman of the legislative fiscal committees, or such lesser time as the chairmen of such committees, or their designee, may in each instance determine.</p> <p>5. Notwithstanding any other provisions of law, the Trustees of the California State University are prohibited from increasing student fees for the 1983-84 academic year above the level approved by the Legislature in this act.</p> <p>6. The Director of Finance shall determine whether the federal Rehabilitation Services Administration (RSA) has notified the state in writing that the Department of Rehabilitation must authorize and certify on an individual client basis, the provision of reader and interpreter services to the department's clients who attend the California State University, whenever those services are supported by federal funds made available pursuant to Section 110 of the Rehabilitation Act of 1973. If the director determines that the RSA has not imposed such a requirement, then the director shall unallot and revert to the General Fund \$349,000 of the amount scheduled in this item and increase the amount of reimbursements scheduled in this item by \$349,000.</p>	
<p>6610-001-146—For support of Trustees of the California State University and the California State University payable from the Capital Outlay Fund for Public Higher Education .....</p>	10,093,000
Schedule:	
(a) 01-Instruction (replacement of instructional equipment) .....	4,368,000
(b) 06-Institutional Support (deferred maintenance and special repair projects) .....	5,725,000

Item	Amount
Provisions:	
1. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by Category (b) shall be available for expenditure until June 30, 1985.	
6610-001-890—For support of Trustees of the California State University and the California State University for Student Service Program 05, payable from the Federal Trust Fund .....	48,296,000
6610-011-001—For support of Trustees of the California State University and the California State University, in addition to and in augmentation of Item 6610-001-001, Program 05—Student Service, to provide financial aid to California State University students .....	3,415,000
Provisions:	
1. The funds appropriated in this item shall be used to provide financial aid to needy students according to the nationally accepted needs analysis methodology.	
6610-301-146—For capital outlay, Trustees of the California State University and the California State University, payable from the Capital Outlay Fund for Public Higher Education .....	15,585,000
Schedule:	
Systemwide—Trustees of the California State University:	
(2.1) Moss Landing Marine Laboratories: Construct Soil Erosion Restoration and Landscaping .....	100,000
(2.2) Moss Landing Marine Laboratories: Equip Marine Laboratories ..	164,000
(3) 06.48.315-Minor Capital Outlay ....	983,000
(3.2) San Francisco State University: Construct Science Building Conversion .....	1,230,000
(4) 06.64.048-State University, Hayward: Construct modifications to Fine Arts Ventilation System .....	250,000
(5) 06.84.057-San Francisco State University: Construct modifications to nine academic buildings to meet fire code requirements .....	1,000,000
(7) 06.80.092-San Diego State University: Construct Old Library rehabilitation .....	2,567,000
(11) 06.96.083-Polytechnic State University, San Luis Obispo: Construct Engineering Building .....	8,622,000

Item	Amount
(11.2) Humboldt State University: Construct Remodel Engineering Building (Van Matre Hall) .....	669,000
Provisions:	
2. Notwithstanding the provisions of Section 2.00 of this act, the appropriations made for equipment items shall be available for expenditure only during the 1983-84 and 1984-85 fiscal years.	
3. Withdrawals shall be as required to meet cur- rent obligations as certified by the Trustees of the California State University.	
6610-301-189—For capital outlay, trustees of the Califor- nia State University and the California State Uni- versity, payable from the Energy and Resources Fund .....	1,000,000
Schedule:	
(1) Statewide—Energy Conservation Retrofits .....	1,000,000
Provisions:	
1. Of the amount in this item, up to \$400,000 shall be allocated for research on petroleum pricing and allocation violations affecting California. Of this amount, up to \$350,000 shall be for a contract with the Controller's office to perform related legal services.	
6610-301-890—For capital outlay, Trustees of California State University and the California State Univer- sity, payable from the Federal Trust Fund .....	2,085,000
Schedule:	
(1) Statewide—Energy Conservation Retrofits .....	1,000,000
(2) Polytechnic State University, San Luis Obispo: Working drawings and construct Energy Management System .....	300,000
(3) State Polytechnic University, Po- mona: Working drawings and construct Energy Management System .....	327,000
(4) State University, Hayward: Working drawings and construct Energy Management System .....	458,000
Provisions:	
1. If, under applicable federal regulations, use of these funds for capital outlay is not permissible, it is the intent of the Legislature that these funds be reallocated pursuant to Section 28.00. The Director of Finance shall report to the Joint Leg-	

Item	Amount
islative Budget Committee by February 1, 1984 on the disposition of these funds.	
6610-495—Reversion, California State University. Notwithstanding any other provisions of law, as of June 30, 1983, the unencumbered balance or specific amounts of the appropriations provided in the following citations, shall revert to the unappropriated surplus of the fund from which the appropriation was made:	
001—General Fund	
(1) Chapter 884, Statutes of 1980, the unencumbered balance of \$1,774	
146—Capital Outlay Fund for Public Higher Education	
(2) Chapter 326, Statutes of 1982 Item 6610-301-146(29)—Preliminary plans and working drawings for site preparation for data processing center	
6860-001-001—For support of California Maritime Academy .....	3,906,000
Schedule:	
(a) 10-Instruction .....	1,914,000
(b) 20-Academic Support .....	1,750,000
(c) 30-Student Services .....	2,483,000
(d) 40.01-Administration .....	2,502,000
(e) 40.02-Distributed Administration..	—2,502,000
(f) Reimbursements .....	—2,241,000
Provisions:	
1. The Department of Finance shall reduce the funds appropriated in this item by the amount of federal funds received in 1983-84 for the purchase of fuel oil.	
6860-001-146—For support of California Maritime Academy, Program 10, Instruction, from the Capital Outlay Fund for Public Higher Education .....	182,000
6860-001-890—For support of California Maritime Academy from the Federal Trust Fund .....	422,000
Schedule:	
(a) 10-Instruction .....	84,000
(b) 20-Academic Support .....	84,000
(c) 30-Student Services .....	254,000
Provisions:	
1. The Department of Finance shall increase the funds appropriated in this item by the amount of federal funds received in 1983-84 for the purchase of fuel oil.	

Item	Amount
6860-301-146—For capital outlay, California Maritime Academy, payable from the Capital Outlay Fund for Public Higher Education .....	197,000
Schedule:	
(1) Preliminary plans, working drawings, construction and equipment of faculty office addition .....	170,000
(2) Minor capital outlay .....	27,000
6870-001-001—For support of Board of Governors of the California Community Colleges .....	3,841,000
Schedule:	
(a) 10-Appportionments .....	1,053,000
(b) 20-Special Services and Operations.....	4,692,000
(c) 30.01-Administration .....	2,581,000
(d) 30.02-Administration—Distributed .....	—2,581,000
(e) Reimbursements .....	—1,904,000
Provisions:	
1. Of the amount appropriated in this item, \$40,000 is provided for State Operations in support of Instructional Improvement programs in lieu of any amount which otherwise would be appropriated for that purpose pursuant to Education Code Sections 84383 and 84384.	
2. Of the amount appropriated in this item, \$25,000 is provided for State Operations in support of the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982.	
3. Of the amount appropriated in this item, \$100,000 is provided for the administration and evaluation of funds allotted for job training programs specified in Provision 12 of Item 6870-101-001 of the Budget Act of 1982 and Provision 8 of Item 6870-101-001 of this act. Furthermore, the board of governors shall, by February 1, 1984, provide the Legislature and the Governor with a report evaluating the programs and recommending whether or not they should continue to be funded on a categorical basis.	
6870-001-165—For support of Board of Governors of the California Community Colleges, Program 20.20.010—Special Services and Operations—Faculty and Administrative Credentials, payable from the Community College Credentials Fund .....	530,000

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## Provisions:

1. Subject to the conditions of Article 4 (commencing with Section 87271) of Chapter 2 of Part 51 of the Education Code, and based on increases in credential applications, Item 6870-001-165 may be increased subject to the approval of the Department of Finance and notification of the Joint Legislative Budget Committee in accordance with the provisions of Section 28.00 of this act.

6870-101-001—For local assistance, Board of Governors of the California Community Colleges ..... 1,198,624,000  
Schedule:

- (a) 10-Appportionments ..... 1,153,416,000
- (b) 20.10.010-Community College Extended Opportunity Programs and Services ..... 24,691,000
- (c) 20.10.020-Disabled Students ..... 18,396,000
- (d) 20.20.020-Partial Financing of the Academic Senate for the Community Colleges ..... 68,000
- (e) 20.30.020-Instructional Improvement, for Transfer to the Community College fund for Instructional Improvement ..... 760,000
- (f) 20.30.030-Vocational Education Special Projects ..... 2,928,000
- (g) Reimbursements ..... -2,928,000
- (h) Special Adjustment—Cost of Living Increases ..... 1,293,000

## Provisions:

1. The funds appropriated in Schedule (b) are for transfer by the State Controller during the 1983-84 fiscal year to Section B of the State School Fund for activities conducted under the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. The Board of Governors shall allocate funds on a priority basis and to local programs on the basis of need for student services and financial aid.
2. The funds appropriated in Schedule (e) shall be expended only for grants.

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3. The funds appropriated in Schedule (a) are for transfer by the State Controller during the 1983-84 fiscal year to Section B of the State School Fund, in lieu of the amount which otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1983-84 fiscal year pursuant to Section 14020 of the Education Code, as needed, in addition to the sums accruing to Section B of the State School Fund from other sources for the purposes specified in this item for apportionment pursuant to Chapter 4.5 of Part 50 of the Education Code.	
4. The funds appropriated in Schedule (c) are for transfer by the State Controller during the 1983-84 fiscal year to Section B of the State School Fund, in lieu of the amount which otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1983-84 fiscal year pursuant to Section 14020 of the Education Code, for funding the excess direct instructional cost of providing special facilities, special education materials, educational assistance, mobility assistance, transportation, program accountability, and program developmental services for handicapped students enrolled at community colleges.	
5. Of the amount appropriated in Schedule (a), up to \$9,947,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8153 of the Education Code.	
6. Notwithstanding any other provisions of the Education Code, the Chancellor of the California Community Colleges shall establish a schedule for the monthly allocation of funds appropriated by Schedules (a), (b) and (c) of this item such that the total of such allocations to be made between July 1, 1983, and February 1, 1984, shall not exceed 60 percent of the level of district annual eligibility for those funds as determined through provisions of the Education Code applicable to the purposes for which those scheduled appropriations are made. Warrants shall be	



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drawn on the State Treasury by the State Controller in favor of the treasurer of each county for the allocations certified by the Chancellor of the California Community Colleges for the period of July through January in amounts not to exceed those described by the following schedule: 8 percent of district eligibility may be allocated in July, 8 percent may be allocated in August, 12 percent may be allocated in September, 10 percent may be allocated in October, 9 percent may be allocated in November, 5 percent may be allocated in December, and 8 percent may be allocated in January. However, upon the demonstrated need of any community college district for increased levels of allocations of state funds based on district expenditure patterns and cash flow needs, the allocation can be increased. However, in no case may the total of the allocations to be made between July 1, 1983, and February 1, 1984, exceed 70 percent. Before making any allocations in excess of 60 percent, the chancellor's office shall obtain the approval of the Department of Finance. The department shall review and approve or deny such requests for additional allocations expeditiously.

7. Of the amount in Schedule (b), \$225,000 is provided for local assistance in support of the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982.
8. Of the amount in Schedule (a), \$1,900,000 is for the funding of employer-based job training programs of the type funded pursuant to Provision 12 of Item 6870-101-001 of the Budget Act of 1982. These programs shall be consistent with the intent of that provision and with the criteria adopted by the Board of Governors for allocating funds under that provision.
9. The Director of Finance shall determine whether the federal Rehabilitation Services Administration (RSA) has notified the state in writing that the Department of Rehabilitation must authorize and certify on an individual client basis, the provision of reader and interpreter services to the department's clients who attend the California Community Colleges, whenever those services are supported by federal funds made available pursuant to Section 110 of the

Item	Amount
Rehabilitation Act of 1973. If the director determines that the RSA has not imposed such a requirement, then the director shall unallot and revert to the General Fund \$363,000 of the amount scheduled in this item and increase the amount of reimbursements scheduled in this item by \$363,000.	
6870-101-146—For local assistance, Board of Governors of the California Community Colleges, Program 20.40.020—Special Services and Operations—Deferred Maintenance, payable from the Capital Outlay Fund for Public Higher Education .....	6,000,000
6870-101-909—For local assistance Board of Governors of the California Community Colleges Program 20.30.020—Instructional Improvement and Innovation, payable from the Community College Fund for Instructional Improvement .....	944,000
Provisions:	
1. Of the amount appropriated by this item, not more than \$760,000 shall be allocated for grants and not more than \$184,000 shall be allocated for loans.	
6870-301-146—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the Capital Outlay Fund for Public Higher Education.....	10,446,000
Schedule:	
Santa Barbara Community College District, Santa Barbara City College:	
(2) Construct removal of architectural barriers to the physically handicapped, Phase III .....	391,000
Ventura Community College District, Ventura College:	
(3) Working drawings and construct removal of architectural barriers to the physically handicapped, phase II .....	177,000
Ventura Community College District, Oxnard College:	
(3.1) Equip Classroom Building and Learning Resource Center .....	80,000

Item	Amount
Peralta Community College District, Merritt College:	
(8) Construct removal of architectural barriers to the physically handicapped, phase II .....	264,000
North Orange County Community College District, Fullerton College:	
(9) Working drawings and construct removal of architectural barriers to the physically handicapped .....	24,000
Kern Community College District, Cerro Coso College:	
(13) Equip Occupational Laboratory Building .....	367,000
Saddleback Community College District, Saddleback College, South Campus:	
(14) Construct general classroom building .....	6,166,000
Mendocino-Lake Community College District, Mendocino College:	
(15) Construct Library and Alternate Learning Center .....	2,741,000
(16) Initial Complement of Library Books .....	236,000
Provisions:	
1. Notwithstanding the provisions of Section 2 of this Act, the appropriations made in this Item for the equipment items shall be available for expenditure only during the 1983-84 and 1984-85 fiscal years.	
3. Each district's required matching share of funding for projects included in this item shall be determined in accordance with provisions of Sections 81838 and 81831(c) of the Education Code, except that "excluded funds" defined in Section 81838(c) shall be interpreted as district funds exclusively and shall also include monies designated as district matching funds for projects included in prior Budget Acts and monies designated for one hundred (100) percent district funded projects approved by the Chancellor's Office prior to July 1, 1982 for which no	

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qualification regarding future eligibility for State funds was given.	
4. Notwithstanding any other provision of law, the district funds required to match the state contribution for the project identified in category (14) shall be increased by \$627,000.	

### COMMUNITY COLLEGE CONSTRUCTION BOND ACT PROGRAM

**6870-301-736**—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to Community College districts as set forth in the schedule below, payable from the State Construction Program Fund ..... **34,000**

Schedule:

- Marin Community College District, Indian Valley College:
- (1) Working drawings and construct removal of architectural barriers to the physically handicapped, Phase IV ..... **19,000**
- College of Marin:
- (2) Working drawings and construct removal of architectural barriers to the physically handicapped, Phase IV ..... **15,000**

**Provisions:**

1. These funds or so much thereof as may be necessary, are hereby appropriated for expenditures only for programs which have been approved pursuant to the provisions of the Community College Construction Act of 1980 (Chapter 4 (commencing with Section 81800) of Part 49 of the Education Code) as contemplated by the Community College Construction Program Bond Act of 1972 (Sections 1 to 10, inclusive, of Chapter 937 of the Statutes of 1971). All such appropriations shall be paid out of the State Construction Program Fund.

**6870-301-890**—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors of the California Community Colleges to the community college districts for expenditure by such districts as set forth in the schedule below, payable from the Federal Trust Fund ..... **804,000**

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## Schedule:

- |  |         |
|--|---------|
| Peralta Community College District, College of Alameda                                   |         |
| (1) Working drawings and contract Energy Conservation Conversion, Phase II .....         | 23,000  |
| Merritt College:   |         |
| (2) Working drawings and construct Energy Conservation Conversion, Phase II .....        | 344,000 |
| Laney College:   |         |
| (3) Working drawings and construct Energy Conservation Conversion, Phase II .....        | 106,000 |
| Feather River College:   |         |
| (4) Energy Conservation Conversion San Mateo Community College District, Canada College: | 130,000 |
| (5) Working drawings and construct Energy Conservation, Damper Controls .....            | 28,000  |
| Contra Costa Community College, Los Medanos College:                                     |         |
| (6) Construct Solar Conversion .....   | 173,000 |

## Provisions:

1. If, under applicable federal regulations, use of these funds for capital outlay is not permissible, it is the intent of the Legislature that these funds be reallocated pursuant to Section 28.00. The Director of Finance shall report to the Joint Legislative Budget Committee by February 1, 1984 on the disposition of these funds.

6870-490—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provisions of law, as of the effective date of this Act, funds appropriated through provisions of Item 6870-301-146 (3) of Chapter 326, Statutes of 1982, for the purpose of constructing an occupational education laboratory building on the Cerro Coso College campus of the Kern Community College District, are hereby reappropriated to be available for liquidation of encumbrances through June 30, 1984 and to continue to be available for the initial purpose of construction and equipping the facility, including the purchase of fixed and moveable equipment, necessary for the intended operation of the facilities.

7980-001-001—For support of the Student Aid Commission .....

4,767,000

Item	Amount
Schedule:	
(a) 100000-Personal Services .....	3,875,000
(b) 300000-Operating Expenses and Equipment .....	5,357,000
(c) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951) .....	-4,465,000
7980-001-951—For support of the Student Aid Commission, to be transferred to Item 7980-001-001, payable from the State Guaranteed Loan Reserve Fund .....	4,465,000
Provisions:	
1. The funds appropriated in this item are for the following:	
a. Guaranteed Student Loan Program .....	64,000
b. State Guaranteed Student Loan Program, for purposes of Chapter 1201, Statutes of 1977 .....	4,401,000
2. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize deficiencies pursuant to Section 11006 of the Government Code from funds appropriated from the State Guaranteed Loan Reserve Fund pursuant to Section 69766 of the Education Code.	
7980-101-001—For local assistance, Student Aid Commission .....	80,349,500
Schedule:	
(a) Scholarships (Cal Grant (a)) .....	58,329,500
(b) College Opportunity Grants (Cal Grant (b)) .....	23,712,000
(c) Occupational Education and Training Grants (Cal Grant (c)) .....	2,655,000
(d) Fellowships for Graduate Study ..	2,548,000
(e) Dependents of Deceased or Disabled Peace Officers Grants .....	8,000
(f) Bilingual Teacher Grants .....	2,497,000
(g) Amount payable from the Federal Trust Fund (Item 7980-101-890) ..	-9,400,000
Provisions:	
1. Funds appropriated in categories (a) through (c) are for awards in the Cal Grant Program under provisions of Article 3 (commencing with Section 69530), of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, Student Aid Commission.	

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## Amount

2. The funds appropriated in categories (d) through (f) are for grant awards and graduate fellowship awards under provisions of Article 2 (commencing with Section 52150) of Chapter 7 of Part 28 of the Education Code and under provisions of Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, and for scholarship awards under provisions of Section 4709 of the Labor Code, Student Aid Commission.
3. Upon order of the Director of Finance, the State Controller shall transfer funds as necessary between categories (a) through (f) to accommodate program changes, not sooner than 30 days after written notification by the Director of Finance of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.
4. If federal trust funds for the 1983-84 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-per-dollar basis.
5. Eligibility for money appropriated by this item is limited to students who demonstrate financial need according to nationally accepted needs analysis methodologies, who meet other Student Aid Commission eligibility criteria, and whose income or family's gross income does not exceed the ceilings established by the Student Aid Commission for recipients for the 1982-83 award year.
6. Of the amount appropriated in schedule (a), \$1,529,500 shall be used to provide 450 first-time awards to students attending independent colleges. These funds shall be provided to the commission on a one-time basis and the 450 awards shall be in addition to the 14,900 awards authorized by subdivision (a) of Section 69532 of the Education Code.

7980-101-890—For local assistance, Student Aid Commission, to be transferred to Item 7980-101-001, payable from the Federal Trust Fund.....

9,400,000

Item	Amount
7980-111-001—For local assistance, Student Aid Commission, Cost-of-Living Increases, to be transferred to and in augmentation of programs in Item 7980-101-001, upon approval of the Department of Finance, effective July 1, 1983, in accordance with the following schedule.....	2,448,000
Schedule:	
(a) Scholarships (Cal Grant (a)) .....	1,437,000
(b) College Opportunity Grants (Cal Grant (b)) .....	819,000
(c) Occupational Education and Training Grants (Cal Grant (c)) .....	90,000
(d) Fellowships for Graduate Study ..	33,000
(e) Bilingual Teacher Grants .....	69,000
8100-001-001—For support of the Office of Criminal Justice Planning.....	2,383,250
Schedule:	
(a) 100000-Personal Services .....	1,907,000
(b) 300000-Operating Expenses and Equipment .....	1,298,250
(c) Amount payable from the Indemnity Fund (Item 8100-001-214) ....	-415,000
(d) Amount payable from the Federal Trust Fund (Item 8100-001-890) ..	-330,000
(f) Amount payable from Chapter 1151, Statutes of 1977 .....	-37,000
(g) Amount payable from Chapter 917, Statutes of 1980 .....	-40,000
Provisions:	
1. Funds scheduled for the Gang Violence Suppression Program shall be available for expenditure only if the Office of Criminal Justice Planning makes available federal matching dollars such that the total program expenditure is 25 percent federal funds and 75 percent state funds.	
2. Expenditure of funds for the Suppression of Drug Abuse in Schools Program is contingent upon the enactment of program guidelines in a statute which is operative during the 1983-84 fiscal year.	
8100-001-214—For support of the Office of Criminal Justice Planning, to be transferred to Item 8100-001-001 payable from the Indemnity Fund .....	415,000



Item	Amount
Provisions:	
1. The funds appropriated in this item are for administrative costs incurred pursuant to subdivision (d) of Section 13967 of the Government Code and Sections 13836-13837 of the Penal Code.	
8100-001-890—For support of the Office of Criminal Justice Planning, to be transferred to Item 8100-001-001 payable from the Federal Trust Fund .....	330,000
Provisions:	
1. The funds appropriated in this item are for support, Office of Criminal Justice Planning (state agencies grant), payable from federal funds.	
8100-011-890—For support of the Office of Criminal Justice Planning, allocation of federal grants, amount payable from Federal Trust Fund .....	1,500,000
8100-101-001—For local assistance, Program 50, Local Project Awards, Office of Criminal Justice Planning .....	11,022,000
(a) 50.10—California Career Criminal Prosecution Program to be allocated pursuant to Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	4,112,000
(b) 50.20—California Career Criminal Apprehension Program .....	2,500,000
(c) 50.50—California Community Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code .....	1,250,000
(d) 50.55—Suppression of Drug Abuse in Schools Program .....	2,410,000
(e) 50.65—California Gang Violence Suppression Program .....	750,000
Provisions:	
1. The amount appropriated in schedule (a) shall only be awarded to local governmental entities which provide a minimum 10 percent local cash match for the State General Fund amount allocated.	
2. Funds scheduled for the Gang Violence Suppression Program shall be available for expenditure only if the Office of Criminal Justice Planning makes available federal matching dollars such that the total program expenditure is 25 percent federal funds and 75 percent state	

Item	Amount
funds.	
3. Expenditure of funds for the Suppression of Drug Abuse in Schools Program is contingent upon the enactment of program guidelines in a statute which is operative during the 1983-84 fiscal year.	
8100-101-178—For local assistance, Program 50.50, Local Project Awards, Office of Criminal Justice Planning, Community Crime Resistance, payable from the Driver Training Penalty Assessment Fund.....	500,000
8100-101-214—For local assistance, Program 50, Local Project Awards Office of Criminal Justice Planning, Victim/Witness Centers Program, payable from the Indemnity Fund.....	6,320,000
Schedule:	
(a) 50.30—Victim/Witness Centers Program, to be allocated pursuant to Section 13967 of the Government Code .....	5,200,000
(b) 50.40.010—Rape Victim Counseling Centers .....	870,000
(c) 50.40.020—Child Sexual Exploitation Counseling Center Program .....	250,000
Provisions:	
1. The amount payable from the Indemnity Fund shall be pursuant to Section 13967 of the Government Code.	
2. The local Victims/Witness Assistance programs, including those previously funded with LEAA or other federal, state, or local funds, may not receive Indemnity Funds unless they comply with state statutory and administrative requirements.	
3. \$2,200,000 of the funds appropriated in category (a) and \$250,000 of the funds appropriated in categories (b) and (c) shall be available for expenditure only upon certification by the Director of Finance that sufficient funds are available in the Indemnity Fund to finance these expenditures. None of the funds shall be expended sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than a lesser time which the chairperson of the committee or his or her designee may in each instance determine.	

Item	Amount
4. Any excess funds remaining in the Indemnity Fund as of June 30, 1983 shall be thus apportioned: two-thirds to category (b) for Rape Victim Counseling Centers, and one-third to category (c) for Child Sexual Exploitation Counseling Centers. In the event that legislation is enacted in the 1983-84 Regular Session which increases revenues to the Indemnity Fund over the amounts appropriated in this act, the following sums are hereby appropriated: \$1,334,000 in augmentation to category (b) for Rape Victim Counseling Centers, and \$666,000 in augmentation to category (c) for Child Sexual Exploitation Counseling Centers.	
8100-101-890—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards, payable from the Federal Trust Fund.....	4,380,000
8100-101-903—For local assistance, Program 50, Office of Criminal Justice Planning, Program 50, Local Project Awards, payable from the Assessment Fund .....	495,000
8120-001-268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund.....	4,002,000
Schedule:	
(a) 100000-Personal Services .....	2,939,000
(b) 300000-Operating Expenses and Equipment .....	1,063,000
8120-101-268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, for allocation to cities, counties and cities and counties, pursuant to Section 13523 of the Penal Code, and for payment of contracts pursuant to Section 13503(c) of the Penal Code, payable from the Peace Officers' Training Fund.....	22,214,000
8140-001-001—For support of Office of the State Public Defender, Program 10 .....	7,842,000
8160-101-001—For local assistance, Assistance to Counties for Defense of Indigents, for payment by the Controller .....	775,000
Schedule:	
(a) 10-Public Defender Assistance.....	775,000
Provisions:	
1. The funds appropriated in category (a) are for contributions to counties for providing legal assistance to indigents in accordance with Section 987.6 of the Penal Code.	

Item	Amount
<b>8160-111-001</b> —For local assistance, Assistance to Counties for Defense of Indigents, Program 20, for payment by the Controller .....	3,000,000
Provisions:	
1. The funds appropriated in this item are for contributions to counties for providing legal assistance to indigents in accordance with Section 987.9 of the Penal Code.	
2. The Controller shall adopt regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, controlling reimbursements under Section 987.9 of the Penal Code. The regulations shall consider compensation for attorneys, investigators, expert witnesses, and other expenses that may or may not be reimbursable under Section 987.9 of the Penal Code. The Controller shall adopt the regulations no later than June 30, 1984. The Controller shall follow these regulations until final approval by the Office of Administrative Law.	
<b>8180-101-001</b> —For local assistance, Payment to Counties for Costs of Homicide Trials, for payment by the State Controller .....	500,000
Provisions:	
1. This item is for payment to counties for cost of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, Department of Finance provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
2. The Controller shall adopt regulations pursuant to Chapter 3.5 (commencing with Section 11340), Part 1, Division 3, Title 2, of the Government Code, controlling reimbursements under Sections 15201 to 15203, inclusive, of the Government Code. The regulations shall consider compensation for attorneys, investigators, and expert witnesses and other expenses that may or may not be reimbursable under Sections 15201 to 15203, inclusive, of the Government Code. The Controller shall adopt the regulations no later than June 30, 1984. The Controller shall follow these regulations until final approval by the Office of Administrative Law.	

Item	Amount
8190-001-001—For the payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions supported from the General Fund, for expenditure by the Department of Justice, subject to approval of the Department of Finance in its discretion .....	600,000
Provisions:	
1. There is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions, arising from activities supported from such fund; provided, that no expenditure from any such appropriation from a fund other than the General Fund for payment of tort liability claims, settlements, compromises and judgments shall be made unless approved by the Department of Finance in its discretion.	
2. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
8200-001-001—For support of Commission for Economic Development .....	387,000
Schedule:	
(a) 100000-Personal Services .....	250,000
(b) 300000-Operating Expenses and Equipment .....	140,000
(c) Reimbursements .....	—3,000
Provisions:	
1. The commission shall work with the Department of Economic and Business Development and the advisory council to the department to avoid duplication of effort.	
8220-001-942—For support of Motion Picture Council, payable from Motion Picture Council Account, Special Deposit Fund .....	192,000
Schedule:	
(a) 100000-Personal Services .....	100,000
(b) 300000-Operating Expenses and Equipment .....	92,000
Provisions:	
1. The Motion Picture Council shall not expend more than the amount of fee revenue collected.	
8260-001-001—For support of California Arts Council ..	3,143,000

Item	Amount
Schedule:	
(a) 10000 Personal Services .....	1,374,851
(b) 30000 Operating Expenses and Equipment .....	762,149
(c) Unallocated .....	1,006,000
Provisions:	
1. The Controller shall transfer an amount not to exceed \$1,006,000 to Item 8260-101-001, for grants for support of the arts.	
8260-001-890—For support of the California Arts Coun- cil, payable from the Federal Trust Fund .....	8,000
8260-101-001—For local assistance, California Arts Council for grants and subventions .....	6,919,000
Provisions:	
1. Funds appropriated for the local organization de- velopment, and support to prominent organiza- tions program elements shall not be expended unless the grant recipient provides a dollar-for- dollar cash match; provided that for grants to individual artists, no matching funds shall be re- quired.	
8260-101-890—For local assistance, California Arts Council payable from the Federal Trust Fund.....	594,000
Schedule:	
Provisions:	
1. Any organization applying for a grant under the support to prominent organizations element of the organizational grants program may not re- ceive a grant under the artistic and administra- tive development element of the organizational grants program.	
2. Any organization applying for a grant under the artistic and administrative development ele- ment of the organizational grants program may not receive a grant under the support to promi- nent organizations element of the organization- al grants program.	
3. Funds appropriated for the artistic and adminis- trative development and support to prominent organizations program elements shall not be ex- pended unless the grant recipient provides a dollar for dollar cash match; provided, that for grants to individual artists no matching funds shall be required.	
8280-001-001—For support of Native American Herit- age Commission .....	199,000
Schedule:	
(a) 100000-Personal Services .....	132,000

Item	Amount
(b) 300000-Operating Expenses and Equipment .....	67,000
8290-001-001—For support of the California Public Broadcasting Commission .....	1,940,000
Schedule:	
(a) 100000-Personal Services .....	304,722
(b) 300000-Operating Expenses and Equipment .....	289,278
(c) Grants to Public Broadcasting Stations.....	1,696,000
(d) Amount payable from California Environmental License Plate Fund (Item 8290-001-140) .....	—350,000
Provisions:	
1. Notwithstanding the provisions of Section 8836 of the Government Code, funds made available under schedule (c) are to be allocated by the California Public Broadcasting Commission without a required reserve for local community broadcast operations.	
2. Of the amount appropriated for category (c), \$150,000 shall be awarded to California Public Radio and \$200,000 shall be awarded to the Association of California Public Television Stations.	
8290-001-140—For support of the California Public Broadcasting Commission, to be transferred to Item 8290-001-001, payable from the California Environmental License Plate Fund.....	350,000
8300-001-001—For support of Agricultural Labor Relations Board .....	9,639,000
Schedule:	
(a) 10-Board Administration .....	3,760,000
(b) 20-General Counsel Administration .....	5,679,000
(c) 30.01-Administrative Services.....	787,500
(d) 30.02-Distributed Administrative Services .....	—787,500
(e) 97.20-Unallotted .....	200,000
Provisions:	
1. The funds appropriated in category (e) shall be made available to the board for use by the agency in the event that lawsuits are filed against the board or individuals employed by the board in the normal exercise of their statutory responsibilities.	
8320-001-001—For support of Public Employment Relations Board .....	4,747,000

## Item

## Amount

## Schedule:

- |  |           |
|--|-----------|
| (a) 100000-Personal Services .....                   | 3,721,000 |
| (b) 300000-Operating Expenses and<br>Equipment ..... | 1,026,000 |

**8320-490**—Reappropriation, Public Employment Relations Board. Notwithstanding any other provisions of law, the unencumbered balances, or a portion thereof as may be specified in this section, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, as amended by this section, and shall be available for expenditure until June 30, 1984:

## General Fund:

- (1) Item 375, Budget Act of 1979, for support.

## Provisions:

1. None of the funds reappropriated by category  
(1) for transfer to Item 8320-001-001 shall be transferred to Item 8320-001-001 unless and until authorized in writing by the Department of Finance.

**8350-001-001**—For support of Department of Industrial Relations .....

77,400,354

## Schedule:

- |  |            |
|--|------------|
| (a) 10-Regulation of Workers' Compensation Self-Insurance Plans.....   | 1,181,000  |
| (b) 20-Conciliation of Employer-Employee Disputes .....  | 1,443,000  |
| (c) 30-Preventing, Settling, Adjudicating and Administering Disputes under Workers' Compensation Laws .....                              | 36,451,634 |
| (d) 40-The Prevention of Industrial Injuries and Deaths of California Workers .....  | 15,836,720 |
| (e) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication ..... | 18,704,000 |
| (f) 60-Promotion, Development and Administration of Apprenticeship and other on-the-job training.....                                    | 5,250,000  |
| (g) 70-Labor Force Research and Data Dissemination.....  | 1,674,000  |
| (h) 94.01-Administration.....  | 7,947,000  |
| (i) 94.02-Distributed Administration ..  | —7,927,000 |
| (j) Reimbursements.....  | —3,160,000 |



Item	Amount
Provisions:	
1. If the funds for the support of the Division of Labor Standards Enforcement are reduced, the division shall not reduce field enforcement activities in any greater proportion than the reduction in the balance of its activities.	
2. Except as provided in Section 123.7 of the Labor Code, the Division of Industrial Accidents shall not assign any nonjudicial officer to perform any judicial functions, or to exercise any judicial powers now vested in the Worker Compensation Appeals Board; specifically, the Division of Industrial Accidents shall not use information and assistance officers to settle conference calendar workers' compensation disputes. However, nothing herein shall limit the information and assistance officers from performing the duties required under Chapter 2.5 (commencing with Section 5450) of Part 4 of Division 4 of the Labor Code.	
8350-001-216—For support of Department of Industrial Relations, Program 50, Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication, Payable from the Industrial Relations Construction Industry Enforcement Fund .....	512,000
8350-001-452—For support of Department of Industrial Relations, Program 40, The Prevention of Industrial Injuries and Deaths of California Workers, payable from the Elevator Safety Inspection Account, General Fund .....	2,131,000
8350-001-453—For support of Department of Industrial Relations, Program 40, The Prevention of Industrial Injuries and Deaths of California Workers, payable from the Pressure Vessel Inspection Account, General Fund .....	3,098,000
8350-001-890—For support of Department of Industrial Relations payable from the Federal Trust Fund ..	16,331,720
Schedule:	
(a) 40-The Prevention of Industrial Injuries and Death to California Workers .....	14,860,720
(b) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, Conditions of Employment, and Licensing and Adjudication .....	201,000

Item	Amount
(c) 60-Promotion, Development and Administration of Apprenticeship and other on-the-job training.....	380,000
(d) 70-Labor Force Research and Data Dissemination.....	890,000
8370-001-001—For transfer to the Uninsured Employers' Fund for payment of claims .....	6,216,000
8370-001-571—For support of Uninsured Employers' Fund, payment of workers' compensation benefits Provisions:	7,594,000
1. Claims shall be charged to the fiscal year in which they are paid.	
8370-001-572—For support of Asbestos Workers Account, Uninsured Employers' Fund, payment of workers' compensation benefits .....	864,000
8380-001-001—For support of the Department of Personnel Administration .....	2,537,550
Schedule:	
(a) 100000-Personal Services .....	3,390,000
(b) 300000-Operating Expenses and Equipment .....	1,518,000
(c) Reparation payments .....	363,750
(d) Reimbursements .....	—2,368,300
(e) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915).....	—365,900
Provisions:	
1. \$363,750 of the funds appropriated for category (c) of this item is for reparation of salary losses during 1942–47 by persons dismissed from State Civil Service as a result of Chapter 49, Statutes of California passed at the First Extra Session of the Fifty-Fourth Legislature, 1941–1942 (SCR 15).	
8380-001-915—For support of the Department of Personnel Administration, to be transferred to Item 8380-001-001, payable from the Deferred Compensation Plan Fund .....	365,900
8450-001-001—For support of Workers' Compensation Benefit Program, for payment of the additional compensation for subsequent injuries provided for by Sections 4750 through 4755 of the Labor Code Schedule:	4,258,000
(a) Support.....	575,000
(b) Payment of claims .....	3,683,000
Provisions:	
1. This item shall not be construed as a limitation on expenditures provided by Item 8450-001-016.	

Item	Amount
2. The amount available from this item shall not be available for expenditure at any time that funds appropriated by Item 8450-001-016 are available for expenditure.	
3. At the end of fiscal year 1983-84, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Item 8450-001-016.	
4. Upon order of the Department of Finance, the State Controller shall transfer the amount contained in category (a) of this item to Item 8350-001-001.	
8450-001-016—For payment of workers' compensation benefits for subsequent injuries, payable from the account for Subsequent Injuries Moneys, General Fund .....	1,800,000
8460-101-001—For local assistance, Disaster Service Workers .....	365,000
Provisions:	
1. This item is for furnishing of workers' compensation to disaster service workers and their dependents, in accordance with the provisions of Section 3201 through 6002 of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor's Office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code. Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires.	
8500-001-152—For support of Board of Chiropractic Examiners, Program 10, payable from the State Board of Chiropractic Examiners Fund.....	619,000

Item	Amount
Provisions:	
1. Of the amount appropriated by this item, \$25,000 shall be expended to publish and distribute revisions of the Chiropractic Act and a directory of licensees.	
8510-001-264—For support of Board of Osteopathic Examiners of the State of California, Program 10, payable from the Contingency Fund of the Board of Osteopathic Examiners .....	255,000
8530-001-290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Program 10, payable from the Board of Pilot Commissioners' Special Fund .....	83,000
8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund Schedule:	1,470,000
(a) 100000-Personal Services .....	2,118,000
(b) 300000-Operating Expenses and Equipment .....	525,000
(c) Special item of expense .....	2,000,000
(d) Reimbursements .....	--1,070,000
(e) Amount payable from the California Standardbred Sires Stakes Fund Account, Special Deposit Fund pursuant to the Business and Professions Code, Section 19619(e) .....	--2,050,000
(f) Amount payable from the Race-track Security Account, Special Deposit Fund, (Item 8550-001-942) .....	-53,000
Provisions:	
1. Of the amount appropriated by this item, the unexpended balance, if any, shall revert to the General Fund.	
2. \$35,000 of the amount provided in schedule (b) shall be available for expenditure only upon certification by the Director of Finance that liabilities carried over from the 1980-81 fiscal year for payment of Attorney General's fees have been satisfied in full. This certification shall be made on or before May 1, 1984. In the absence of certification, the \$35,000 shall be transferred by the Director of Finance to the Department of Justice for payment of the outstanding fees of the Attorney General.	

Item	Amount
8550-001-942—For support of the California Horse Racing Board, to be transferred to Item 8550-001-191, payable from the Racetrack Security Account, Special Deposit Fund .....	53,000
8550-011-942—Notwithstanding Section 19641 (b) (1) of the Business and Professions Code, there is hereby transferred to the General Fund the unencumbered balance of the Racetrack Security Account, Special Deposit Fund, as of June 30, 1984 .....	(1,347,000)
8560-001-001—For support of California Exposition and State Fair, and for payment of principal and interest on revenue bonds to meet the provisions of Section 15849 of the Government Code .....	1,641,000
(a) 100000-Personal services .....	4,472,000
(b) 300000-Operating expenses and equipment .....	5,534,000
(c) Payment of interest and principal on revenue bonds .....	1,130,000
(d) Operating revenues payable from Item 8560-011-001 .....	-8,730,000
(e) Amount payable from the Fair and Exposition Fund .....	-265,000
(f) Reimbursements .....	-500,000
Provisions:	
1. No more than the amount actually needed to pay any deficit in principal and interest on the revenue bonds shall be made available for expenditure from category (c) of this item; and provided further, that the amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.	
8560-011-001—For support of California Exposition and State Fair, to be transferred to Item 8560-001-001 by the State Controller provided, that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the General Fund by the California Exposition and State Fair .....	8,730,000
8560-021-001—For the California Exposition and State Fair, for advance authority for the department to incur obligations for entertainment in an amount not to exceed \$300,000 for the 1984 California State Fair, payable from the General Fund, and available for encumbrance only until June 30, 1985 .....	(300,000)
8570-001-001—For support of Department of Food and Agriculture .....	38,189,400
Scheduled:	
(a) 10-Pesticide Regulatory Program .....	6,675,000

Item	Amount
(b) 20-Plant Pest and Disease Prevention .....	17,126,000
(c) 25-Animal Pest and Disease Prevention/Inspection Services .....	8,222,000
(d) 30-Agricultural Marketing Services .....	3,624,000
(e) 40.10-Food and Agricultural Standards and Inspection Services .....	1,174,000
(f) 50-Measurement Standards .....	1,830,000
(h) 70.01-Exec. Mgmt and Admin Svcs .....	6,039,000
(i) 70.02-Distributed Exec. Mgmt and Admin. Svcs. ....	-5,741,000
(j) Reimbursements .....	-759,600
Provisions:	
1. Of the amount appropriated in schedule (d), \$104,000 shall be made available to support a study on food distribution and \$52,000 shall be made available to support the costs related to AB 1944 of the 1983-84 Regular Session.	
8570-001-111—For support of Department of Food and Agriculture, payable from the Agricultural Fund Schedule:	27,717,000
(a) 10-Pesticide Regulatory Program .....	4,237,000
(b) 20-Plant Pest and Disease Prevention .....	6,766,000
(c) 25-Animal Pest and Disease Prevention/Inspection Services .....	1,613,000
(d) 30-Agricultural Marketing Services .....	6,036,000
(e) 40.10-Food and Agricultural Standards and Inspection Services .....	6,269,000
(f) 50-Measurement Standards .....	1,935,000
(g) 70.01-Exec. Mgmt and Admin Svcs .....	137,000
(h) 80.30-Unclaimed Gas Tax—Emergency Fund and Administration ..	1,500,000
(i) Amount payable from Food and Agricultural Code, Section 224(1) ..	-298,000
(j) Reimbursements .....	-478,000
8570-001-112—For support of Department of Food and Agriculture, Program 70.01-Executive Management and Administrative Services, payable from the Ethanol Fuel Revolving Account... ..	1,218,000
8570-001-140—For support of Department of Food and Agriculture, Program 70—Executive Management and Administrative Services, payable from the California Environmental License Plate Fund .....	113,000
8570-001-190—For support of Department of Food and Agriculture, payable from the Resources Account, Energy and Resources Fund .....	1,990,000

Item	Amount
Schedule:	
(b) 20-Plant Pest and Disease Prevention .....	990,000
(c) 25-Animal Pest and Disease Prevention/Inspection Services .....	1,000,000
8570-001-191—For support of Department of Food and Agriculture, payable from the Fair and Exposition Fund .....	951,000
(a) Program 60—Financial and Administrative Assistance to Local Fairs .....	1,191,000
(b) Reimbursements .....	—240,000
8570-001-890—For support of Department of Food and Agriculture, payable from the Federal Trust Fund Schedule:	1,691,000
(a) 10-Pesticide Regulatory Program .....	544,000
(b) 20-Plant Pest and Disease Prevention .....	378,000
(c) 25-Animal Pest and Disease Prevention/Inspection Services .....	228,000
(d) 30-Agricultural Marketing Services .....	60,000
(e) 40.10-Food and Agricultural Standards and Inspection Services .....	445,000
(f) 50-Measurement Standards .....	36,000
8570-101-001—For local assistance, Department of Food and Agriculture .....	8,404,000
Schedule:	
(a) 10-Pesticide Regulatory Program .....	2,881,000
(b) 20-Plant Pest and Disease Prevention .....	5,523,000
8570-101-111—For local assistance, Department of Food and Agriculture, payable from the Agricultural Fund .....	7,411,000
Schedule:	
(a) 10-Pesticide Regulatory Program .....	4,573,000
(b) 50-Measurement Standards .....	42,000
(c) 80-General Agricultural Payments and Emergencies Fund .....	2,796,000
8570-101-191—For local assistance, Department of Food and Agriculture, Financial and Administrative Assistance to Local Fairs, payable from the Fair and Exposition Fund .....	775,000
Schedule:	
(a) 60.20.001-Unemployment insurance and benefits for local fairs....	550,000

Item	Amount
(b) 60.20.002-Premiums, cost of judges' conference, and vocational education pursuant to Section 19627.2 of the Business and Professions Code .....	225,000
Provisions:	
1. The funds in schedule (a) of this item are appropriated for the contributions, or the cost of benefits in lieu of contributions, payable from the Fairs and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.	
2. Funds appropriated in schedule (a) of this item may be used to pay unemployment benefits or insurance costs incurred by local fairs during the 1979-80 fiscal year or any fiscal year thereafter.	
8570-111-001—For local assistance, Department of Food and Agriculture, Program 80—General Agricultural Payments and Emergencies Fund .....	383,000
Provisions:	
1. The funds in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.	
8570-301-190—For capital outlay, Department of Food and Agriculture, payable from the Resources Account, Energy and Resources Fund .....	250,000
Schedule:	
(a) 90.30-Davis Veterinary Diagnostic Laboratory-preliminary plans.....	250,000
8640-001-001—For support of Political Reform Act of 1974 (Proposition 9), the following sums are hereby appropriated to, and in augmentation of, the following agencies and officers for the administration, investigation and regulation of the political campaigns, officials, and lobbyists.....	1,689,000
Schedule:	
(a) 10-Secretary of State.....	569,000
(b) 20-Franchise Tax Board.....	880,000
(c) 30-Attorney General.....	246,000
(d) 40-Fair Political Practices Commission .....	(1,900,000)



Item	Amount
(e) Reimbursements .....	-6,000
Provisions:	
1. The funds appropriated in the following schedules are to be transferred by the State Controller as listed below:	
Schedule (a) transferred to Item 0890-001-001	
Schedule (b) transferred to Item 1730-001-001	
Schedule (c) transferred to Item 0820-001-001	
8660-001-042—For support of Public Utilities Commission, to be transferred to Item 8660-001-412, payable from the State Highway Account, State Transportation Fund .....	937,000
8660-001-046—For support of Public Utilities Commission, to be transferred to Item 8660-001-412, payable from the Transportation Planning and Development Account, State Transportation Fund .....	1,228,000
8660-001-315—For support of Public Utilities Commission, to be transferred to Item 8660-001-412, payable from the Radiotelephone Utility Rate Fund..	55,000
8660-001-412—For support of Public Utilities Commission, payable from the Transportation Rate Fund Schedule:	13,284,000
(a) 100000-Personal Services .....	33,005,000
(b) 300000-Operating Expense and Equipment .....	8,173,000
(c) Reimbursements .....	-1,349,000
(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-042) ..	-937,000
(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046) .....	-1,228,000
(g) Amount payable from the Radiotelephone Utility Rate Fund (Item 8660-001-315) .....	-55,000
(h) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-461) .....	-3,346,000
(i) Amount payable from the Public Utilities Commission Utilities Reimbursement Account (Item 8660-001-462) .....	-20,796,000
(j) Amount payable from the Federal Trust Fund (Item 8660-001-890) ..	-183,000

Item	Amount
Provisions:	
1. Of the funds appropriated in this item, \$75,000 may be spent for the purpose of determining workers' compensation insurance coverage for motor carriers under the commission's jurisdiction only if AB 765 of the 1983-84 Regular Session is chaptered in 1983.	
8660-001-461—For support of the Public Utilities Commission, to be transferred to Item 8660-001-412, payable from the Public Utilities Commission Transportation Reimbursement Account .....	3,346,000
8660-001-462—For support of Public Utilities Commission, to be transferred to Item 8660-001-412, payable from the Public Utilities Commission Utilities Reimbursement Account.....	20,796,000
8660-001-890—For support of Public Utilities Commission, to be transferred to Item 8660-001-412, payable from the Federal Trust Fund .....	183,000
8700-001-001—For support of State Board of Control ..	623,000
Schedule:	
(a) 10.01-Administration .....	198,000
(b) 10.02-Distributed Administration .....	— 198,000
(c) 40-Governmental Claims .....	480,000
(d) 50-Local Mandated Costs .....	218,000
(e) 60-Hazardous Substance Claims ..	39,000
(f) Reimbursements.....	— 114,000
Provisions:	
1. The Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of such proceedings.	
2. The Board of Control shall report to the Joint Legislative Budget Committee within 30 days after the end of each quarter of the fiscal year during which the Victims of Violent Crimes claims backlog increases.	
8700-001-214—For support of State Board of Control Program 30—Victims of Crimes, for the payment of claims and Board of Control services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, payable from the Indemnity Fund.....	16,585,000
8700-495—Reversion, Board of Control.	

Item	Amount
As of June 30, 1983, the unencumbered balance of the appropriation provided in Chapter 1204, Statutes of 1979, shall revert to the unappropriated surplus of the fund from which the appropriation was made: 001—General Fund.	
8730-001-001—For support of Commission on State Finance .....	523,000
8780-001-001—For support of Commission on California State Government Organization and Economy ....	338,160
8800-001-001—For support of membership for Council of State Governments .....	128,000
8820-001-001—For support of Commission on the Status of Women .....	437,000
Schedule:	
(a) 100000-Personal Services .....	309,000
(b) 300000-Operating Expenses and Equipment .....	128,000
8860-001-001—For support of Department of Finance	20,711,000
Schedule:	
(a) 10-Annual Financial Plan.....	6,494,000
(b) 20-Program and Information System Assessments .....	4,299,000
(c) 30.10.001-CFIS Data Base .....	1,237,000
(d) 30.10.002-CALSTARS .....	5,718,000
(e) 30.10.003-Performance Measures ..	450,000
(f) 30.10.004-Budget Systems .....	309,000
(g) 30.20 through 30.50-Other Supportive Data Program Activities ..	2,478,000
(h) 40.01-Administration .....	2,797,000
(i) 40.02-Distributed Administration ..	-2,797,000
(j) Reimbursements .....	-274,000
Provisions:	
1. The funds appropriated for CFIS/CALSTARS (Programs 30.10.001 through 30.10.004) shall be transferred by the State Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CFIS/CALSTARS related activities by the Department of Finance.	
2. The funds appropriated in this Act for purposes of CALSTARS related data processing costs may be transferred between any items in this Act by the State Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS related data processing costs incurred.	

Item	Amount
3. The funds appropriated in Programs 30.10.001 through 30.10.004 shall be used for support of activities provided for in Chapter 1284 of the Statutes of 1978.	
4. At least 30 days prior to incurring any obligations for software, hardware, facilities, or personnel for a San Francisco distributed processing center, the Department of Finance shall submit a report demonstrating the necessity of the new center to the Assembly Committee on Ways and Means, the Senate Committee on Finance, and the Joint Legislative Budget Committee. This report shall be based on the actual operating experience at the Sacramento distributed processor and shall have been approved by the State Office of Information Technology.	
5. Of the funds appropriated in this item, \$200,000 may be expended in support of a new office automation system not sooner than 30 days after the Department of Finance has provided to the Joint Legislative Budget Committee an approved feasibility study report prepared in accordance with Section 11711 of the Government Code and Section 4921 et seq., of the State Administrative Manual.	
8910-001-001—For support of Office of Administrative Law .....	1,888,000
Schedule:	
(a) 100000-Personal Services .....	1,624,000
(b) 300000-Operating Expenses and Equipment .....	264,000
8940-001-001—For support of Military Department .....	16,471,300
Schedule:	
(a) 10-Army National Guard .....	11,505,000
(b) 20-Air National Guard .....	2,107,000
(c) 30.01-Office of the Commanding General .....	3,502,000
(d) 30.02-Distributed Administration .....	—3,502,000
(e) 35-Military Support to Civil Authority .....	1,574,000
(f) 40-Military Retirement .....	1,697,000
(g) 50-California Cadet Corps.....	278,500
(g.1) 70-California Innovative Military Projects and Career Training.....	683,000
(h) Reimbursements .....	—1,373,200

Item	Amount
Provisions:	
1. No expenditures shall be made from this appropriation as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Commanding General of the State Military Forces, the California National Guard or the California National Guard Reserve from the federal government.	
2. The appropriation for Program 40 shall be for military retirements, in accordance with the provisions of Sections 228 and 256 of the Military and Veterans Code, Military Department.	
3. The department shall charge tuition for all training provided through the California Specialized Training Institute.	
4. Expenditure authority for \$400,000 in reimbursements from the Employment Development Department as provided in category (h) of this item, shall be offset by reimbursements from local agencies to the extent that the Military Department receives from such agencies' funds to offset costs scheduled in category (g.1) of this item.	
8940-001-130—For support of the Military Department, Program 10, Army National Guard, payable from the AWOL Program Abatement Fund .....	2,000
Provisions:	
1. Provided that funds shall be expended in accordance with the provisions of Chapter 563, Statutes of 1982.	
8940-001-890—For support of Military Department, payable from the Federal Trust Fund .....	12,125,000
Schedule:	
(a) 10-Army National Guard .....	8,836,000
(b) 20-Air National Guard .....	3,289,000
8940-011-001—For support of the Military Department	30,000
Schedule:	
(a) 10-Army National Guard .....	30,000
Provisions:	
1. No expenditures shall be made from this appropriation until sufficient revenues or income from armories have been deposited into the State Treasury to the credit of the General Fund pursuant to the Military and Veterans Code Section 431(c).	
8940-301-036—For capital outlay, Military Department payable from Special Account for Capital Outlay	212,000

Item	Amount
Schedule:	
(a) 70.10-Architectural and Engineering services .....	138,000
(b) 70.20-Fresno Armory-working drawings.....	74,000
8940-301-890—For capital outlay, Military Department, payable from the Federal Trust Fund, Program 70.50-other federal construction funds.....	10,881,000
Provisions:	
1. The funds appropriated from this item are not subject to the provisions of Section 28.	
9100-101-001—For local assistance, Tax Relief .....	23,926,000
Schedule:	
(b) 20-Senior Citizens' Property Tax Deferral Program .....	7,150,000
(f) 60-Subvention for Open Space .....	13,000,000
(g) 70-Payments to Local Government for Sales and Property Tax Revenue Loss .....	3,776,000
Provisions:	
2. Schedule (b) is for property tax postponement and assistance to claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), Division 2 of the Revenue and Taxation Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.	
6. Schedule (f) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code, and may not be augmented.	

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7. Schedule (g) is for reimbursement to local taxing authorities for revenue lost in accordance with the provisions of Sections 2229 and 2230 of the Revenue and Taxation Code, State Controller and, provided that the reimbursement for property tax revenue loss resulting from the restricted valuation of land under a wildlife habitat contract pursuant to Chapter 1165, Statutes of 1973, shall be based on a comparison between the value of the land computed pursuant to Section 423.7 of the Revenue and Taxation Code and the value of the land computed pursuant to Section 110.1 of the Revenue and Taxation Code.

9100-101-064—For local assistance, Tax Relief ..... 927,170,000

Schedule:

- (a) 10-Senior Citizens' Property Tax Assistance ..... 9,600,000
- (c) 30-Senior Citizens' Renters' Tax Assistance..... 40,500,000
- (d) 40-Personal Property Tax Relief .. 77,000,000
- (e) 50-Homeowners' Property Tax Relief ..... 336,000,000
- (h) 80-Renters' Tax Relief ..... 464,000,000
- (i) 90-Substandard Housing ..... 70,000

Provisions:

1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

Any unexpended balance in schedule (a) may be used to make payments to senior citizen renter claimants under schedule (c).

3. Schedule (c) is for property tax assistance to renter claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

Any unexpended balance in schedule (c) may be used to make payments to senior citizen homeowner claimants under schedule (a).

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4. Schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) livestock under Sections 5523 and 5546; and (4) wine and brandy under Section 992; Controller.

The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.

Of the funds appropriated in schedule (d) for local assistance to the County of Los Angeles, \$100,000 shall be used by the County of Los Angeles for the restoration of the Ralph C. Dills Lake.

5. Schedule (e) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to Section 3k of Article XIII of the Constitution, Controller. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the Constitution and the appropriation for the same purposes contained in Section 16100 of the Government Code.
8. Schedule (h) is for transfer by the Controller, as needed, to the Tax Relief and Refund Account, General Fund, for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, Franchise Tax Board.
9. Schedule (i) is for transfer by the Controller to the Local Agency Code Enforcement and Rehabilitation Fund, for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income as defined in Section 50093 of the Health and Safety Code, to be allocated to local agencies prorated on the basis of their share of disallowed deductions which resulted from the agencies' proceedings.

This amount is in lieu of any statutory requirements.



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9620-001-001—For payment of interest, on order of the Director of Finance, for any General Fund loan .. Provisions:	70,000,000
1. The Director of Finance, the Controller, and the Treasurer shall satisfy any need of the General Fund for borrowed funds in a manner consistent with the Legislature's objective of obtaining the lowest possible rate of interest on this borrowing.	
9650-001-001—For the state's contribution for the cost of a health benefits plan and dental care premiums, for annuitants and other employees, in accordance with Sections 22825.7, 22828, 22829 and 22952 of the Government Code, or provided for in a memorandum of understanding pursuant to Section 3517.6 of the Government Code, which was agreed to prior to September 1, 1982, and which is not chargeable to any other appropriation .....	75,817,000
Schedule:	
(a) Health benefit premiums .....	68,887,000
(b) Dental care premiums.....	6,930,000
9680-101-001—For local assistance, State mandated local programs, for reimbursement, in accordance with the provisions of subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller.....	74,556,000
Schedule:	
Judicial Council	
(a) 02.50.135.576—Justice court judges	13,000
(c) 02.50.015.878—Court interpreters	10,000
(d) 02.50.074.378—Judicial arbitration	2,500,000
Office of Emergency Services	
(e) 06.90.103.280—Teletype equip- ment .....	21,000
Department of Justice	
(f) 08.20.095.276—Marijuana records ..	2,000
(g) 08.20.046.278—Dental exams.....	33,000
Secretary of State	
(h) 08.90.045.474—Filing fees .....	24,000
(i) 08.90.070.475—Registration by mail	748,000
Franchise Tax Board	
(j) 17.30.021.874—Substandard hous- ing .....	5,000
Public Employees Retirement System	
(k) 19.00.139.874—Unused sick leave credit .....	1,300,000
(l) 19.00.117.078—Increased pension..	5,100,000

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(m) 19.00.103.679—Increased pension	1,620,000
(n) 19.00.079.980—Increased benefit ..	245,000
Department of Corporations	
(o) 21.80.094.175—Health care plans ..	4,000
Department of Housing and Commu- nity Development	
(p) 22.40.114.380—Housing needs (COC's) .....	265,000
California Coastal Commission	
(q) 37.20.133.076—Local coastal plans	400,000
Office of Statewide Health Planning and Development	
(r) 41.40.085.476—Health Planning ....	217,000
Department of Health Services	
(s) 42.60.045.374—Sudden infant death syndrome .....	6,000
(t) 42.60.084.278—TB Exams .....	5,000
Department of Developmental Serv- ices	
(u) 43.00.069.475—Attorney fees.....	10,000
(v) 43.00.049.877—Coroners .....	11,000
(w) 43.00.064.480—Judicial proceed- ings ... ..	55,000
(x) 43.00.125.380—MR Representation	63,000
(y) 43.00.130.480—Conservatorship ....	5,000
Department of Mental Health	
(z) 44.40.106.173—Short Doyle Pro- gram .....	284,000
(aa) 44.40.103.678—MDSO recommit- ments .....	30,000
Department of Social Services	
(bb) 51.80.010.281—Alternative medi- cal coverage .....	79,000
(cc) 51.80.999.001—Treatment of loans .....	4,000
(dd) 51.80.999.002—Employment rela- ted expenses .....	10,000
(ee) 51.80.999.003—EED-ES registra- tion .....	4,000
(ff) 51.80.999.004—Food stamp verifi- cation .....	194,000
Department of Education	
(gg) 61.00.096.175—Collective bar- gaining .....	9,493,000
(hh) 61.00.121.675—Dismissal evalua- tions.....	18,000
(ii) 61.00.125.375—Disciplinary proce- dures .. ..	1,000
(ij) 61.00.089.477—Pupil basic skills ....	2,603,000

Item	Amount
(kk) 61.00.097.377—Transferred administrators .....	1,000
(ll) 61.00.177.677—Immunization records .....	1,240,000
(mm) 61.00.096.577—Disciplinary procedures .....	623,000
(nn) 61.00.134.780—Scoliosis screening .....	343,000
(nn.5) 61.00.047.282—Immunization requirements .....	539,000
Contributions to State Teachers Retirement System	
(oo) 63.00.008.974—Unused sick leave credit .....	11,147,000
(pp) 63.00.103.679—Benefit increase ..	22,088,000
(qq) 63.00.128.680—Benefit increase ..	7,770,000
Subvention for Guardianship/Conservatorship Proceedings	
(ss) 81.70.135.576—Guardianship/Conservatorship .....	3,250,000
Department of Industrial Relations	
(tt) 83.50.102.173—Reduced waiting period .....	1,725,000
(uu) 83.50.102.373—Life pension .....	275,000
Tax Relief	
(vv) 91.00.124.277—Senior Citizen property tax deferral program.....	173,000
Provisions:	
1. Except as provided in 9 below, allocations to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of such costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
2. The funds provided by Schedule (h) are to provide reimbursement, pursuant to Section 16100.6 of the Government Code, to local governments caused by the provisions of Section 6555 of the Elections Code.	
3. The appropriation made by this item for Schedule (h) is in augmentation of, and in addition to, the funds continuously appropriated to the State Controller by Section 16100 of the Government Code.	

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4. The funds provided in Schedule (i) are for reimbursement of net costs to local government associated with the implementation of Chapter 704 of the Statutes of 1975, relating to voter registration and voting procedures, in accordance with Section 91 of that Chapter, for such costs incurred during the 1983-84 fiscal year and that the Secretary of State shall determine the maximum reimbursement available to each local jurisdiction (and shall so advise the State Controller) for voter outreach programs which have been adopted and implemented pursuant to Section 304 of the Elections Code. The maximum reimbursement available to each local jurisdiction for voter outreach purposes shall be based on the proportional number of unregistered voters within each local jurisdiction as determined by the Secretary of State. For purposes of this provision "net costs" are defined to be voter outreach expenditures up to the allowable maximum reimbursement plus other reasonable costs, less realized savings related to Chapter 704 of the Statutes of 1975.
5. Prior to the payment of any claim funded by Schedule (i) the State Controller shall confer with the Secretary of State to determine whether the cost for which reimbursement is sought is properly reimbursable under Section 91 of Chapter 704 of the Statutes of 1975.
6. The State Controller pursuant to Section 12410 of the Government Code, shall audit claims submitted by counties pursuant to reimbursements made pursuant to Schedules (h) and (i).
7. The funds appropriated in Schedule (j) may be expended only to reimburse mandated costs in excess of any revenues distributed pursuant to Schedule (i) of Item 9100-101-001.
8. The funds appropriated in Schedule (q) are for coastal planning assistance as provided in Section 16 of Chapter 1330 of the Statutes of 1976, as amended by Section 28 of Chapter 1331 of the Statutes of 1976.
9. The funds appropriated in Schedules oo, pp and qq are for transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System for reimbursement of costs incurred pursuant to Chapter 89, Statutes of 1974, Chapter 1036, Statutes of 1979 and Chapter 1286, Stat-

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utes of 1980.

9680-101-214—For local assistance, State mandated local programs, for reimbursement, in accordance with the provisions of subdivision (a) of Section 2231 of the Revenue and Taxation Code, for costs incurred by local agencies pursuant to the provisions of Chapter 1123 of the Statutes of 1977, payable from the Indemnity Fund, State Controller.....	65,000
1. Allocations to the appropriate local agencies shall be made by the Controller in accordance with the provisions of Chapter 1123 of the Statutes of 1977 and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
9800-001-001—For augmentation for Employee Compensation .....	274,499,000
Schedule:	
Provisions:	
1. The funds herein appropriated are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, other state agencies, the Assembly Committee on Rules, the Senate Committee on Rules, the Joint Rules Committee, the Joint Legislative Audit Committee, and the Joint Legislative Budget Committee, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1983, by the Department of Personnel Administration, or the Directors of Hastings College of Law, or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.	
2. Amounts proposed for employee compensation increases constitute the total increase in compensation for all state employees and employees of the University of California and the California State University for the 1983-84 fiscal year. Funds appropriated for employee compensa-	

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tion increases are to be allocated by executive order of the Department of Finance to the several state offices, Regents of the University of California, and the Trustees of the California State University in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in units not yet certified, or in units that are certified but are not bargaining for a 1983-84 memorandum of understanding as of the date of this act, and employees of the University of California, in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code, by the Regents of the University of California, and by the Trustees of the California State University.

3. Where memoranda of understanding have not been approved prior to passage of this act, the current compensation and benefit levels shall remain in effect until superseded by approved memoranda of understanding.
4. Of the amount appropriated in this item, \$556,000 shall be for shift differential and overtime pay for Department of Mental Health hospital employees, and \$944,000 shall be for shift differential and overtime pay for Department of Developmental Services hospital employees, to be allocated by the Department of Finance in augmentation of their respective appropriations.
5. Of the amount appropriated in this item, a special 5 percent salary adjustment for Engineering and Computer Science faculty shall be allocated by the Department of Finance to the University of California and the California State University and Colleges.

9800-001-494—For augmentation for Employee Compensation payable from other-unallocated special funds .....

83,949,000

Provisions:

1. The funds herein appropriated are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support or for other purposes, in such

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amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to special funds, to receive any such increases provided on or after July 1, 1983, by the Department of Personnel Administration.

2. Amounts proposed for employee compensation increases constitute the total increase in compensation for all state employees and employees of the University of California for the 1983-84 fiscal year. Funds appropriated for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, and the Regents of the University of California in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in units not yet certified, or in units that are certified but are not bargaining for a 1983-84 memorandum of understanding as of the date of this act, and employees of the University of California, in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code and by the Regents of the University of California.

3. Where memoranda of understanding have not been approved prior to passage of the annual Budget Act, the current compensation and benefit levels shall remain in effect until superseded by approved memoranda of understanding.

9800-001-988—For augmentation for Employee Compensation, payable from other-unallocated nongovernmental cost funds .....

78,480,000

Provisions:

1. The funds herein appropriated are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to nongovernmental cost

Item

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funds, to receive any such increases provided on or after July 1, 1983, by the Department of Personnel Administration.

2. Amounts proposed for employee compensation increases constitute the total increase in compensation for all state employees for the 1983-84 fiscal year. Funds appropriated for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code and by the Regents of the University of California.
3. Where memoranda of understanding have not been approved prior to passage of this act, the current compensation and benefit levels shall remain in effect until superseded by approved memoranda of understanding.

9810-001-001—For payment of attorney fee claims, settlements, compromises, and judgments against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from the General Fund, but only pursuant to the provisions of Code of Civil Procedure Section 1021.5, the “private attorney general” doctrine, or the “substantial benefit” doctrine .....

200,000

Provisions:

1. Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.
2. Expenditures from this item shall not exceed an hourly rate which equals the rate charged by the Attorney General of the State of California at the time the warrant is issued or at the time judgment is entered, whichever is earlier.
3. Notwithstanding the maximum hourly rate specified above, no expenditure from this item shall be made in excess of \$50,000 for a single action.



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4. No payment shall be made by the Controller from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney fees incurred in connection with a single action.
5. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when funds from this item have been exhausted, or when there are insufficient funds to satisfy a claim completely. This report shall list the known unsatisfied claims, and the amount of each of these claims.

9810-001-494—For payment of attorney fee claims, settlements, compromises, and judgments against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from special funds, but only pursuant to the provisions of Code of Civil Procedure Section 1021.5, the “private attorney general” doctrine, or the “substantial benefit” doctrine .....

100,000

## Provisions:

1. Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.
2. Expenditures from this item shall not exceed an hourly rate which equals the rate charged by the Attorney General of the State of California at the time the warrant is issued or at the time judgment is entered, whichever is earlier.
3. Notwithstanding the maximum hourly rate specified above, no expenditure from this item shall be made in excess of \$50,000 for a single action.
4. No payment shall be made by the Controller from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney fees incurred in connection with a single action.
5. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when funds from this item have been exhausted, or when there are insufficient funds to satisfy a claim completely. This report

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shall list the known unsatisfied claims, and the amount of each of these claims.	
<p>9810-001-988—For payment of attorney fee claims, settlements, compromises, and judgments against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from nongovernmental cost funds but only pursuant to the provisions of Code of Civil Procedure Section 1021.5. the “private attorney general” doctrine, or the “substantial benefit” doctrine .....</p>	100,000
Provisions:	
1. Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.	
2. Expenditures from this item shall not exceed an hourly rate which equals the rate charged by the Attorney General of the State of California at the time the warrant is issued or at the time judgment is entered, whichever is earlier.	
3. Notwithstanding the maximum hourly rate specified above, no expenditure from this item shall be made in excess of \$50,000 for a single action.	
4. No payment shall be made by the Controller from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney fees incurred in connection with a single action.	
5. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when funds from this item have been exhausted, or when there are insufficient funds to satisfy a claim completely. This report shall list the known unsatisfied claims, and the amount of each of these claims.	
<p>9840-001-001—For reserve for contingencies or emergencies .....</p>	1,500,000
Provisions:	
1. The funds appropriated for reserve for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.	

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2. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which in the judgment of the Director of Finance require immediate action to avert undesirable consequences or to preserve the public peace, health or safety.
3. Emergency and contingency expenditure authorizations and deficiency expenditure authorizations shall be limited to purposes which have been specifically approved by the Legislature in budget acts or other legislation, except that not more than \$200,000 of each fund may be expended for purposes for which no such specific prior authorizations exists.
4. Authorizations for expenditures or deficiency expenditures arising from a contingency shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than such lesser time as the committee, or its designee, may in each instance determine.
5. For expenditure authorizations or deficiency expenditure authorizations arising from an emergency, the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for emergency-related encumbrance or expenditure authorizations stating the reasons for, and the amount of, all such authorizations, except that any emergency augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1983-84 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Direc-

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<p>tor of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.</p>	
<p>9840-001-494—For reserve for contingencies or emergencies, payable from unallocated special funds .. Provisions:</p>	1,500,000
<p>1. Provisions 1, 2, 3, 4 and 5 for Item 9840-001-001 are also applicable to this item.</p>	
<p>2. For the reserve for contingencies or emergencies, payable from special funds, there is hereby appropriated from each such special fund such sums as are necessary to meet contingencies, or emergencies, to be expended only on written authorization of the Director of Finance and that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1983-84 fiscal year under the provisions of Section 11006 of the Government Code; provided, that accounts, special accounts, and funds in the General Fund, which are treated as other governmental cost funds for accounting and budgeting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.</p>	
<p>9840-001-988—For reserve for contingencies or emergencies, payable from unallocated nongovernmental cost funds.....</p>	1,500,000
<p>Provisions:</p>	
<p>1. Provisions 1, 2, 3, 4 and 5 for Item 9840-001-001 are also applicable to this item.</p>	
<p>2. For reserve for contingencies or emergencies, payable from nongovernmental cost funds, there is hereby appropriated from each such nongovernmental cost fund which is subject to control or limited by this act such sums as are necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance and, that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1983-84 fiscal year under the provisions of Section 11006 of the Government Code.</p>	
<p>9840-011-001—For Reserves for Contingencies or Emergencies (Loans) .....</p>	(2,500,000)

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## Provisions:

1. This appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon such terms and conditions for repayment as may be prescribed by the Department of Finance and any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived.
2. No loan shall be made which requires repayment from a future legislative appropriation.
3. Authorizations for loans shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than a lesser time which the committee, or its designee, may in each instance determine, except that this limit shall not apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the loan which, in the judgment of the director, makes prior approval impractical.
4. Within 10 days after approval, the Director of Finance shall file with the Joint Legislative Budget Committee copies of all executive orders for loans stating the reasons for, and the amount of, all of these authorizations.

9840-490—Reappropriation, Reserve for Contingencies or Emergencies. As of June 30, 1983, the unexpended balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1982, shall revert to the unappropriated surplus of the General Fund, special funds and nongovernmental costs funds, respectively.

As of July 1, 1983, the amounts reverted as of June 30, 1982, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1982, are reappropriated and shall be available until June 30, 1984, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within the meaning of said items, occurring during the 1982-83 fiscal year.

9860-301-036—For Statewide Capital Outlay, payable from the Special Account for Capital Outlay .....  
Provisions:

1. These funds are to be allocated by the Depart-

100,000

ment of Finance to state agencies and the amount appropriated in this item is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.

### GENERAL SECTIONS STATEWIDE

SEC. 3.00. Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency, for which such appropriation is made.

Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1983, for the state officers whose salaries are specified by statute.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Whenever herein an appropriation is made in accordance with a schedule set forth after such appropriation, the expenditures from such item for each category, program, or project included in the schedule shall be limited to the amount specified for such category, program, or project, except as otherwise provided in this act. Each such schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to such schedules "category", "program", or "project" means a class of expenditures such as, but not limited to:

(a) "Personal services" which shall include all expenditures for payment of officers and employees of the state; including salaries and wages, workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of Law in Item 6600-001-001 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, and the state's cost of health

benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract;

(b) "Operating expenses and equipment" which shall include all expenditures for purchase of materials, supplies, equipment, services (other than services of state officers and employees), departmental services (services provided by other organizational units within a department, including indirect distributed costs) and all other proper expenses;

(c) "Preliminary plans" are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodeling project, the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost, and the nature of the improvement being proposed;

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of such drawings;

(e) "Construct" or "construction" when used in connection with a capital outlay project shall include all such related things as fixtures, installed equipment, and auxiliary facilities;

(f) "Minor projects" include construction, improvements and equipment projects not specifically set forth in the schedule.

(g) "Programs" include all expenditures, regardless of category, required to carry out the objectives of the named activity.

For the purpose of further interpreting the meaning of the words, terms and phrases, and uniform codes used in such schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1983-84," submitted by the Governor to the Legislature at the 1983 portion of the 1983-84 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The State Board of Control shall establish such interpretations as are necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to whom appropriations are made under this act.

SEC. 3.05. No state agency, board, or bureau shall have employees assigned to or acting in a capacity beyond their job description for more than a period of 90 days, or of 180 days for those employees on a promotional list

SEC. 3.50. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to such appropriation from which salaries and wages are paid: worker's compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment

compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 23000 and 23400 of the Education Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund as provided by Sections 20782 and 20783 of the Government Code, the state's contribution to the Public Employees' Contingency Reserve Fund and the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, by Sections 23000 and 23400 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, and upon certification by the Board of Administration of the Public Employees' Retirement System in accordance with Sections 20754 and 20784 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions so certified.

SEC. 4.00. Notwithstanding any other provisions of law, the employer's contributions for the 1983-84 fiscal year, which is chargeable to an appropriation made in this act, with respect to each state officer and employee or an annuitant who was in such employment or office, including an academic position with a California State University or College, or is a survivor of such person, or is an annuitant, shall be \$71 for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or \$133 for an employee or annuitant so enrolled for self and one family member, or \$168 for an employee or annuitant so enrolled for self and two or more family members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefits plan or plans.

SEC. 4.50. Premiums for official bonds may be paid out of appropriations contained in this act, notwithstanding the period covered by such bonds.



SEC. 5.00. No funds appropriated by this act may be used to pay court-awarded attorney's fees unless payment of such fees is either:

(a) Specifically authorized and set forth in an item or section of this act; or

(b) Expressly authorized by a statutory provision other than Section 1021.5 of the Code of Civil Procedure.

Provided that this section shall not be construed as making an appropriation of funds for the payment of court-awarded attorney's fees.

SEC. 5.50. The Director of General Services shall, within 30 days of approving any contracts and interagency agreements for consultant or personal services so notify the Chairperson of the Joint Legislative Budget Committee.

SEC. 6.00. None of the funds appropriated for support purposes under Section 2 of this act may be encumbered for any project for the alteration of a state building requiring total expenditures of \$10,000 or more unless the Director of Finance determines that the proposed alteration is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed \$150,000, and any approved critical project shall be reported to the Chairperson of the Joint Legislative Budget Committee or his or her designee, not less than 30 days prior to requesting bids for the project. The report shall detail those factors which make the project so critical that it must proceed using support funds.

SEC. 6.50. The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to whom an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category, program, or project designated in any schedule set forth for such appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule. The Department of Finance shall furnish the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee a report on all authorizations given pursuant to this section during the preceding quarter.

Augmentations of amounts available for expenditure for a category, program, or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for such appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule shall not exceed, during any fiscal year:

(1) 20 percent of the amount so scheduled on that line for those support appropriations made herein which are \$2,000,000 or less.

(2) 10 percent of the amount so scheduled on that line for those support appropriations made herein which are more than \$2,000,000.

(3) The Department of Transportation Highway Program shall be limited to a schedule change of 10 percent.

Any transfer in excess of \$100,000 may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

SEC. 7.00. No funds appropriated by this act may be expended for a discretionary tort liability insurance policy without the review and approval of the Department of General Services, and no sooner than 30 days after submission in writing of a cost-benefit analysis regarding such policy and the necessity for its purchase to the Chairman of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.

SEC. 7.20. No funds appropriated by this act may be expended for a discretionary commercial insurance policy without the review and approval of the Department of General Services, and no sooner than 30 days after submission in writing of a cost-benefit analysis regarding the policy and the necessity for its purchase to the Chairman of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairman of the committee, or his or her designee, may in each instance determine.

SEC. 7.50. Whenever an expenditure is authorized from the reserve for contingencies and emergencies, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 8.10. No expenditure from an appropriation made by this act to the Department of Parks and Recreation shall be made to modify, execute, or approve an operating lease, or an operating agreement with any local entity or any nonprofit corporation, unless either of the following has occurred:

(1) The Legislature has reviewed the lease, or agreement as part of the support or capital outlay budget of the Department of Parks and Recreation and expressed approval of the expenditure from an appropriation made by this act through the supplemental language report.

(2) The State Public Works Board has approved the lease, or a agreement not sooner than 20 days after the Director of Finance has provided written notification to the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Assembly Ways and Means Committee, and the Chairperson of the Senate Finance Committee, and upon a determination by the board that the proposal could not have reasonably been presented to the

Legislature through the annual budget process.

SEC. 8.50. (a) In making appropriations to state agencies which are eligible for federal assistance programs, it is the intent and understanding of the Legislature that applications made by such agencies for federal funds under any such programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government are hereby appropriated, from the Federal Trust Fund for expenditure or for transfer to and disbursement from the State Treasury fund established for the purpose of receiving such federal assistance subject to any provisions of this act which are applicable to the expenditure of such funds, including Section 28.00.

(b) However, if federal funds for block grant programs assumed by the state are reduced by more than 5 percent of the amount appropriated in this act, the Director of Finance shall notify the chairperson of the committee in each house which considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, in writing within 30 days after notification by the federal government that federal funds have been reduced, and shall include a plan of reduced expenditures for the federal block grant programs affected. The plan shall be operational on an interim basis for up to 45 days pending legislative review, after which time the plan shall become permanent.

(c) In addition, the Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the fiscal committees, within 30 days after notification from the federal government, in the event that federal funds for any item receiving federal funds are reduced by more than 5 percent of the amount appropriated in this act. Notification shall include an estimate of (a) the amount of federal funds available or anticipated, (b) state fiscal year 1983-84 expenditures for each program affected by the reduction, and (c) the effect of reduced funding on service levels authorized by this act.

SEC. 8.51. Each state agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 9.00. The Supplemental Report of the Committee of Conference on the Budget Bill, which contains agreed language on statements of intent or requests for studies and which was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1983-84 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1983 and should be interpreted as such by the various agencies of state government affected by the statements contained in the report. The Legislative Analyst shall transmit copies of the report to all agencies to which statements of intent and requests for studies are directed in order that each may be fully informed of the intent of the Legislature.

SEC. 9.50. Unless otherwise stated herein, all reappropriations

for capital outlay from the General Fund shall be payable from the Special Account for Capital Outlay.

SEC. 9.65. The Department of Personnel Administration and the Department of General Services shall complete an economic rent estimate survey for the approximately 1,885 units of state-owned housing, apartments, mobilehomes, and mobilehome pads by November 1, 1983. The state departments that own the units shall reimburse the Department of Personnel Administration and the Department of General Services for the cost of the survey. The reimbursement shall cover all direct and indirect costs, including administrative overhead and expenses. The total cost of the appraisal shall not exceed \$350,000.

Following evaluation of the impact of the state-owned housing provisions of 1983-84 collective bargaining agreements and the results of the survey, the Department of Personnel Administration shall report to the Joint Legislative Budget Committee on the amounts by which rates for state-owned housing are changed to reflect market values and the total amount of reimbursements (by fund) the various state agencies will receive in the 1983-84 fiscal year as a result of these rate changes.

On January 1, 1984, the Department of Finance shall reallocate funds and rental reimbursement between state departments based upon the 1983-84 collective bargaining agreement and the results of the appraisal.

SEC. 11.00. Notwithstanding any other provisions of law on June 30, 1983, the Controller shall revert, to the fund from which the appropriation was made, the unencumbered balance (including any such balance in the Architectural Revolving Fund) under each appropriation identified as a "Proposed Reversion Amount" in the report of the Director of Finance made March 8, 1983 pursuant to the provisions of Section 43 of Chapter 10 of the Statutes of 1983, First Extraordinary Session to the Chairman of the Joint Legislative Budget Committee. The amounts reverted shall be those funds in excess of the \$37,000,000 transferred to the General Fund pursuant to Section 43 of Chapter 10 of the Statutes of 1983, First Extraordinary Session.

The Controller shall, by October 1, 1983, submit a report, to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committee in each house, detailing the amounts transferred from each appropriation pursuant to this section.

SEC. 11.50. Notwithstanding any other provision of law, the Controller shall transfer, upon order of the Director of Finance, an amount not to exceed \$6,000,000 from the unappropriated surplus of the State Parks and Recreation Fund to the General Fund.

SEC. 11.75. Funds appropriated in category(s) of Item 3790-301-721 of this act for acquisitions as additions to the Chino Hills Project shall be encumbered subject to all of the following conditions:

(a) Properties commonly known as Galstian, Rimpau/Friend, and Bryant shall be acquired by the Department of Parks and Recreation in the amounts of \$2,000,000, \$2,500,000, and \$3,700,000, respectively.

(b) During the 1983–84 fiscal year, the Department of Parks and Recreation shall acquire fee title to all or part of these properties and shall, to the extent funds are available, acquire a one-year option for any remainder. Any option, plus the price paid for fee title, shall reflect the purchase price of the entire property. Any savings that may occur from the acquisition of these properties shall be applied to any of the other properties specified in this section.

(c) If any owner has not reached agreement with the Department of Parks and Recreation on the basis of the terms specified in this section by February 1, 1984, funds that would have been available for the acquisition of the property are hereby reappropriated for the acquisition of properties commonly known as the Bryant, Rimpau/Friend, Shell Oil, or any other high priority property in the Chino Hills project area.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state “appropriations limit” of \$20.453 billion for 1983–84. Any judicial action or proceeding to attack, review, set aside, void or annul the “appropriations limit” for the 1983–84 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. (a) The contingency reserve for economic uncertainties established within the General Fund by Section 12.3 of the Budget Act of 1980 is hereby continued in existence. This reserve represents a reserve fund within the meaning of Section 5 of Article XIII B of the California Constitution. Notwithstanding Sections 16310 and 16314 of the Government Code, the Controller may transfer as necessary from the contingency reserve for economic uncertainties or from the Special Accounts in the General Fund to the General Fund such amounts as are needed to meet cash needs of the General Fund. The Controller shall return all such moneys so transferred without payment of interest as soon as there are sufficient moneys in the General Fund.

(a.1) The Controller shall transfer to the Special Reserve Account within the General Fund an amount necessary to eliminate any General Fund deficit as of June 30, 1983. The transfer shall take place at the times prescribed in Section 62 of Chapter 10 of the Statutes of 1983–84 First Extraordinary Session.

(b) The State Controller shall transfer from the contingency reserve for economic uncertainties to the unappropriated balance of the General Fund an amount necessary to eliminate any General Fund deficit as of June 30, 1984. The amount of transfer for the 1983–84 fiscal year shall be determined on the basis of the State of California Preliminary Annual Report—Accrual Basis, for such fiscal year. Any subsequent adjustments shall be determined jointly by the State Controller and the Director of Finance.

(c) There is hereby appropriated from the General Fund for

transfer to the Controller upon order of the Director of Finance, to the contingency reserve for economic uncertainties, an amount necessary to bring the balance up to \$0 as of July 1, 1983. This appropriation shall for purposes of Article XIII B be reduced by the amount of the transfer made as of June 30, 1984, pursuant to section (c).

(d) For budgeting and accounting purposes, any appropriations heretofore or hereafter made specifically from the contingency reserve for economic uncertainties by this act or any other act, other than appropriations contained in this section, shall be deemed an appropriation from the General Fund.

(e) There is hereby appropriated from the General Fund, without regard to fiscal years, for transfer by the State Controller to the contingency reserve for economic uncertainties as of June 30, 1984, the lesser of the amounts jointly estimated by the Legislative Analyst's Office and the Department of Finance in accordance with subdivisions (1), (2), and (3):

(1) Five percent of total 1983-84 General Fund appropriations, less any balance existing in the contingency reserve for economic uncertainties on that date;

(2) The difference between the state's 1983-84 "appropriations subject to limitation" and its "appropriation limit" as defined in Section 8 of Article XIII B of the California Constitution and established in this act; and

(3) The extent of available funds in the General Fund as of June 30, 1984.

SEC. 12.50. (a) The contingency reserve for economic uncertainties established within each special fund by Section 12.35 of the Budget Act of 1981 is hereby continued in existence. These reserves represent reserve funds within the meaning of Section 5 of Article XIII B of the California Constitution.

(b) There is hereby appropriated from each reserve account in each special fund, an amount sufficient to fund any appropriation made by this act or other statute from the fund in which the reserve account is established.

(c) There is hereby appropriated on June 30, 1984, the unappropriated balance in each special fund to the reserve account in that special fund.

SEC. 13.00. Notwithstanding any other provisions of law, expenditures under Item 0160-001-001 of this act or any appropriation in augmentation of such item shall be exempt from the provisions of Chapter 7 (commencing with Section 11700) of Part 1 of, Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Chapter 3 (commencing with Section 14250) of Part 5 of, and Chapter 6 (commencing with Section 14780) of Part 5.5 of, Division 3 of Title 2 of, the Government Code, Division 2 (commencing with Section 10100) of the Public Contract Code, subdivision (a) of Section 713 of Title 2 of the California Administrative Code and Section 5.50 of this act, and may be expended as set forth in the

Governor's Budget, or for such other purposes, including expenditures for such number of positions in various classifications as may be authorized by the Joint Committee on Rules.

### BUSINESS, TRANSPORTATION AND HOUSING

SEC. 16.00. If funds in the Transportation Planning and Development Account, State Transportation Fund, during the 1983-84 fiscal year are less than total 1983-84 appropriations and allocations from the account, the Director of Finance shall unallot sufficient funds to make total allotments from the account equal to the funds in the account. The unallotments shall be made sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees of the impact of such unallotments on individual projects, programs, and activities authorized in this act or other enacted legislation.

### RESOURCES

SEC. 18.00. Notwithstanding the provisions of Chapter 1154, Statutes of 1973, Item 245.1, Budget Act of 1974, Item 223, Budget Act of 1975 and Item 222, Budget Act of 1976, no portions of any loans made to the State Air Resources Board pursuant to these items shall be required to be repaid from any revenues from fees collected pursuant to Section 44060 of the Health and Safety Code prior to June 30, 1985.

SEC. 18.50. On the effective date of this act, the unencumbered balance of subaccount number 031-3360-78-021 in the State Agricultural and Forestry Residue Utilization Account in the General Fund, made available to the Energy Resources Conservation and Development Commission pursuant to the provisions of Section 3 of Chapter 803 of the Statutes of 1980, shall be transferred to the General Fund.

### EDUCATION

SEC. 24.00. For the 1983-84 fiscal year, the oil and mineral revenues from federal lands which are deposited in the State School Fund shall be divided between Section A and Section B of the State School Fund, with 85 percent of these revenues to be credited to Section A of the fund exclusively for K-12 district regular apportionments and 15 percent to Section B of the fund exclusively for community college regular apportionments. The amounts accruing to the State School Fund under this section shall be disbursed fully before any General Fund transfers to Section A or Section B of the State School Fund are disbursed for regular apportionments.

SEC. 24.10. Notwithstanding the provisions of Section 1464 of the

Penal Code, added by Chapter 530, Statutes of 1980, and Sections 42050 and 42052(a) of the Vehicle Code, as amended by Chapter 530, Statutes of 1980, and Section 41304 of the Education Code, the Controller shall transfer the unencumbered balance in the Driver Training Penalty Assessment Fund on June 30, 1984, to the General Fund.

SEC. 24.20. It is the intent of the Legislature and executive branch in enacting this act that the University of California teaching hospitals suffer no fiscal penalties in the 1983-84 fiscal year as a result of the Medicare cost reimbursement limits issued pursuant to the authority of paragraph (1) of subsection (v) of Section 1861 of the Social Security Act (para. (1), subsec. (v), Sec. 1395x, Title 42, U.S.C.) and the Medi-Cal program cost reimbursement limits issued pursuant to the authority of Sections 14105, 14106, and 14124.5 of the Welfare and Institutions Code, and defined in Section 51508 of Title 22 of the California Administrative Code. Therefore, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring a teaching hospital fiscal emergency, authorize the accelerated expenditure, on a loan basis, of amounts budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent of the equivalent dollar amount for the 1983-84 fiscal year, as is determined for each hospital, which is related to the difference in the reimbursement rates allowed by the Medicare and Medi-Cal programs and the reimbursement rates claimed by the University of California. In considering such supplemental appropriation, the financial condition of each hospital shall be taken into account. Provided further, that the University of California will appeal for exceptions to these limits pursuant to procedures for requesting such appeals; provided further, that no increased expenditure may exceed \$2,450,000 or be authorized sooner than 30 days after notification in writing of the necessity therefor is made to the person of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his designee, may in such instance determine.

Any funds provided under the authority of this section shall be repaid to the fund from which they were derived with the proceeds of the claims appealed, regardless of fiscal year, as decisions on cost reimbursement limits which gave rise to their authorization permit repayment of the loan. It is the intent of the Legislature that provisions for repayment of any loan balances shall be determined after the procedures for requesting appeals have been exhausted and all decisions are rendered. The university shall report annually in its budget on the status of such appeals.

SEC. 24.30. No funds appropriated by this act may be used by the Regents of the University of California or the Trustees of the California State University to reclassify instructional capacity space, administrative space, library space, or faculty offices to other uses



unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

SEC. 24.40. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University or to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University or the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university or the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when he certifies that the systemwide enrollment of the California State University or of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the state university or the university was based; provided, that no increased expenditure may exceed \$5,000,000 in the aggregate or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University or University of California is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

Based upon fall annualized full-time equivalent (FTE) students, all surplus funds withdrawn from any campus consistent with the policy of the California State University (CSU) system due to fluctuations in student enrollments, shall be returned:

(a) To campuses with enrollments in excess of the budgeted level consistent with the CSU policy and

(b) To all campuses for allocation to the programs of "Instruction" and "Academic Support".

"Surplus" is defined as those funds in excess of that returned to the state pursuant to this section. No exceptions to the above prescribed

allocation may be made unless prior approval is given by the Department of Finance and is reported to the Chairperson of the Joint Legislative Budget Committee, and the financial necessity of any such exception shall be identified. For purposes of this section, graduate enrollments of the University of California shall be excluded from all calculations.

SEC. 24.50. Notwithstanding any provision of law to the contrary, no funds appropriated by this act, or by any act enacted prior to the enactment of this act, shall be deemed appropriated or available for expenditure for purposes of claims arising from Section 46140 of the Education Code as it read prior to the enactment of Chapter 1230, Statutes of 1977, including the Settlement Agreement entered into on March 4, 1983, by and between the Fullerton Union High School District and the Department of Education of the State of California, the Superintendent of Public Instruction of the State of California, and the Local Assistance Bureau in connection with that action otherwise known as Fullerton Union High School District, et al. v. Wilson Riles, Superintendent of Public Instruction, et al., Orange County Superior Court No. 33-46-93; and the Settlement Agreement entered into on March 4, 1983, by and between Rowland Unified School District and the Department of Education of the State of California, the Superintendent of Public Instruction of the State of California, and the Local Assistance Bureau in connection with that action otherwise known as Rowland Unified School District, et al., v. Wilson Riles, Superintendent of Public Instruction, et al., Los Angeles Superior Court No. C 323905.

### GENERAL GOVERNMENT

SEC. 26.00. No funds appropriated by this act shall be encumbered for the purpose of funding any increased state costs or local governmental costs, or both such costs, arising from the issuance of an executive order as defined in Section 2209 of the Revenue and Taxation Code or subject to the provisions of Section 2231 of the Revenue and Taxation Code, unless (a) such funds to be encumbered are appropriated for such purpose, or (b) notification in writing of the necessity of the encumbrance of funds available to the state agency, department, board, bureau, office, or commission is given by the Department of Finance, at least 30 days before such encumbrance is made, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, determines.

SEC. 27.30. For each city that existed but did not levy a property tax in the 1977-78 fiscal year, other than for voter-approved indebtedness, there is hereby appropriated for allocation to each of those cities an amount equal to the total amount which each of those cities would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and

Section 26483 of the Revenue and Taxation Code, as those sections read on June 1, 1981.

SEC. 28.00. (a) Subject to the provisions of subdivision (e), the Director of Finance may authorize the augmentation of the total amount available for expenditure under any item of appropriation in this act identified by an organization code, as defined in Section 1.50, or under any appropriation in any other statute, in the amount of any funds which he or she estimates will be received by an officer, department, division, bureau, or other agency during the 1983-84 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature, or from any other source which he or she determines has not been taken into consideration in the item or other statute or is in excess of the amount so taken into consideration.

(b) The director also may authorize an expenditure of up to \$100,000 for a new program not identified in the budget as such or for purposes which in his or her judgment constitute an increase in the level of services above that authorized by this act or other existing law not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. Any personnel action which is dependent on funds subject to the provisions of this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this subdivision too late for inclusion in the Governor's Budget for the 1984-85 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1985.

Subject to the provisions of subdivision (e), the Director of Finance may also reduce the total amount available for expenditure under any item of appropriation in this act identified by an organization code, as defined in Section 1.50, or under any appropriation in any other statute, whenever he or she determines that funds to be received will be less than the amount taken into consideration in the item or other statute.

(c) All authorizations reported or requested under the provisions of this section shall include all of the following:

(1) A description of the proposed expenditure and identification of the statutory authority for the expenditure.

(2) A determination whether the expenditure, if federally funded, is specifically designed to be one-time, a continuing federal obligation, or one that the state is required (or expected) to fund at some future date.

(3) A determination whether the expenditure, if federally funded, supplements or replaces existing state expenditures.

(4) A determination whether the expenditure has previously

been considered at some point in the legislative process and has been denied; and, if denied, for what reasons.

(d) All increased expenditures from department indirect cost funds in excess of the amount budgeted in this act or identified in a prior Section 28.00 notification are subject to the reporting requirements of this section.

(e) No single augmentation or reduction in the total amount available for expenditure under any item of appropriation identified by an organization code, as defined in Section 1.50, or under any appropriation in any other statute, made pursuant to this section, shall exceed \$100,000, nor shall more than five augmentations or reductions be made in an appropriation within a 30-day period. The \$100,000 limitation specified in this section shall not apply to any reduction or augmentation made pursuant to this section as a result of an increase or decrease in federal funds, but no reduction or augmentation so resulting may be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

SEC. 29.00. The Department of Finance shall calculate and publish a listing of total personnel-years and estimated salary savings for each department and agency. These listings shall be published by the Department of Finance at the same time as the publication of (a) the Governor's Budget, (b) the May revision and (c) the Final Change Book.

(a) The listing provided at the time of the publication of the Governor's Budget shall contain estimates of personnel-years for the prior year, current year, and budget year.

(b) The listing provided at the time of publication of the May revision shall contain estimates of personnel-years proposed for the budget year.

(c) The listing provided at the time of the publication of the Final Change Book shall contain estimates of personnel-years for the budget year just enacted.

SEC. 31.00. The appropriations under this act, unless otherwise provided, shall be subject to the provisions of Section 13320 of the Government Code and Article 2.5 (commencing with Section 13332) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

The fiscal year budget shall authorize in such manner as the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and

organization.

The Director of Finance, or his/her authorized designee, shall notify the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step of \$1,900 per month. He/she shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

All positions administratively established pursuant to this section during the 1983-84 fiscal year shall terminate on June 30, 1984, except that those positions which have been (a) included in the 1984-85 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1984-85 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1984-85 fiscal year, provided such positions are shown in the 1985-86 proposed Governor's Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided, such positions do not result in establishment of positions deleted by the Legislature through the 1984-85 budget process.

Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency and submitted to the Department of Finance the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to such allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for expenditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. Such transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

No money in any 1983-84 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other salary action(s) unless the Department of Finance certifies to the salary setting authority prior to the adoption of such action(s) that funds are available to pay the increased salary or wage resulting therefrom. Provided, that prior to certification the Department of Finance shall determine whether such increase in salary range or salary action will require supplemental funding in the 1984-85 fiscal year. If the Department of Finance determines that supplemental funding will be required, no certification shall be issued unless notification in writing is given by the Department of Finance, at least 30 days before certification is made, to the chairman of the committee in each house which considers appropriations and

the Chairman of the Joint Legislative Budget Committee, or such lesser time as the chairman of the committee, or his designee, determines.

A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that such expenditures comply with the provisions of this section.

Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 32.00. The officers of the various departments, boards, commissions and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of such appropriations, except the consent of the Department of Finance be first obtained, and a certificate, in writing, duly signed by the director of said department, of the unavoidable necessity of such expenditure; and any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void; and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of any such department, board, commission or institution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable both personally and on his official bond for the amount of such indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to whom such indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairman of the Joint Legislative Budget Committee, and the chairman of the committee in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the particular appropriation.

SEC. 32.50. It is the intent of the Legislature that the budget for the Agricultural Labor Relations Board for the 1983-84 fiscal year not be reduced by more than the average reduction of all state agencies for the 1983-84 fiscal year from their 1982-83 fiscal year budget appropriations.

SEC. 33.00. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto,

elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 33.20. It is the intent of the Legislature that funds transferred in compliance with Section 19.22 of Chapter 326 of the Statutes of 1982 shall be appropriated to the 48th District Agricultural Association at a time when projected General Fund revenues provide a surplus sufficient to fund the amount of the transfer.

SEC. 34.00. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 34.50. The provisions of this act shall not become operative unless and until Assembly Bill 223 of the 1983-84 Regular Session is enacted.

SEC. 34.60. Funds from each appropriation made in this act may be expended to pay salary adjustments authorized by salary-fixing authorities to provide an increase in the compensation for officers and employees during the month of July 1983 to provide compensation equivalent to that which they would have otherwise received had this act been operative on July 1, 1983.

SEC. 34.70. Funds from each appropriation made in this act may be expended to pay any obligation, incurred between the commencement of the 1983-84 fiscal year and the effective date of this act, which would otherwise have been authorized hereunder had this act been operative July 1, 1983. Payment of these obligations shall be subject to the limitations, conditions, and requirements set forth in this act.

SEC. 35.00. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the Constitution of the State of California, take effect immediately.

SEC. 36.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act makes appropriations and contains related provisions for support of state and local government for the 1983-84 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that such appropriations be available for expenditure commencing not later than July 1, 1983. It is therefore necessary that this act go into immediate effect.

## INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

Department	Organization Code
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### “A”

Accountancy, Board of .....	1120
Acupuncture Advisory Committee .....	1400
Administrative Law, Office of .....	8910
Aging, Commission on .....	4180
Aging, Department of .....	4170
Agricultural Labor Relations Board .....	8300
Air Resources Board .....	3400
Alcohol and Drug Programs, Department of .....	4200
Alcoholic Beverage Control, Department of .....	2100
Alcoholic Beverage Control Appeals Board .....	2120
Alternative Energy Source Financing Authority, California .....	3310
Architectural Examiners, Board of .....	1130
Arts Council, California .....	8260
Assembly (See Legislature) .....	0120
Assistance to Counties for Defense of Indigents .....	8160
Athletic Commission, State .....	1140
Attorney Fees, Payment of Court Awarded .....	9810
Automotive Repair, Bureau of .....	1150

### “B”

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Barber Examiners, State Board of .....	1160
Behavioral Science Examiners, Board of .....	1170
Block Grants for Superior Court Judgeships, State..	0440
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Business, Transportation and Housing, Secretary for .....	0520



## Department

## Organization Code

## “C”

California/Mexico Affairs, Office of .....	0580
Cemetery Board.....	1180
Certified Shorthand Reporters Board .....	1520
Chiropractic Examiners, Board of.....	8500
Coastal Commission, California .....	3720
Coastal Conservancy, State .....	3760
Collection and Investigative Services, Bureau of ....	1200-1210
Colorado River Board of California .....	3460
Community Colleges, Board of Governors of the California .....	6870
Conservation, Department of.....	3480
Conservation Corps, California .....	3340
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Consumer Affairs, Department of.....	1655
Consumers Services, Division of .....	1640
Consumer Advisory Council .....	1650
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Contractors State License Board .....	1230
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Controller, State.....	0840
Corporations, Department of .....	2180
Corrections, Department of .....	5240
Corrections, Board of .....	5430
Cosmetology, Board of .....	1240
Councils. See subject (e.g., Arts, etc.)	
Criminal Justice Planning, Office of.....	8100

## “D”

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Dental Examiners, Board of .....	1260-1270
Department of. See subject (e.g., Corrections, Food and Agriculture, etc.)	
Developmental Disabilities, Area Boards on .....	4110
Developmental Disabilities, State Council on .....	4100
Developmental Services, Department of .....	4300
Dispensing Opticians, Board of Medical Quality Assurance.....	1390

## “E”

Economic and Business Development, Department of .....	2200
Economic Development, Commission for.....	8200

Item	Amount
Economic Opportunity, Office of .....	0660
Education, Department of .....	6100
Electronic and Appliance Repair, Bureau of .....	1280
Emergency Medical Services Authority .....	4120
Emergency Services, Office of.....	0690
Employee Compensation, Augmentations for .....	9800
Employment Agencies, Bureau of.....	1300
Employment Development Department .....	5100
Energy, California Business and Industrial Development Corporation, State Assistance Fund for.....	3300
Energy Resources Conservation and Development Commission.....	3360
Environmental Affairs Agency .....	0555
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Exposition and State Fair, California .....	8560

“F”

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Fair Employment and Housing, Department of.....	1700
Finance, Department of .....	8860
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Fish and Game, Department of.....	3600
Food and Agriculture, Department of. ....	8570
Forestry, Department of .....	3540
Franchise Tax Board.....	1730
Funeral Directors and Embalmers, Board of.....	1330

“G”

General Services, Department of .....	1760
Geologists and Geophysicists, Board of Registration for .....	1340
Government Organization and Economy, Commission on California State .....	8780
Governor's Advisory Committee on Child Development Programs.....	4220
Governor's Council on Wellness and Physical Fitness .....	0570
Governor's Office .....	0500
Guide Dogs for the Blind, State Board of.....	1350

## Item

## Amount

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Health and Welfare Agency Data Center.....	4130
Health Benefits for Annuitants .....	9650
Health Facilities Commission, California.....	5190
Health Services, Department of .....	4260
Hearing Aid Dispensers Examining Committee .....	1410
Highway Patrol, Department of the California.....	2720
Home Furnishings, Bureau of .....	1360
Homicide Trials, Payments to Counties for Costs of .....	8180
Horse Racing Board, California .....	8550
Housing and Community Development, Department of .....	2240

## “I”

Industrial Development Financing Advisory Commission, California .....	2230
Industrial Relations, Department of .....	8350
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Insurances, Department of .....	2290

## “J”

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Judges' Retirement Fund, Contributions to .....	0390
Judicial .....	0250
Justice, Department of .....	0820

## “L”

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Landscape Architects, Board of .....	1370
Law Revision Commission, California .....	0170
Legislative Counsel Bureau .....	0160
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Lieutenant Governor, Office of the .....	0750

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Medical Quality Assurance, Board of .....	1390-1460

Item	Amount
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Mortgage Bond Allocation Committee, California ..	2270
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Motor Vehicles, Department of .....	2740
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“N”

National Center for State Courts.....	0460
Native American Heritage Commission .....	8280
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Nursing Home Administrators, Board of Examiners of.....	1470

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Osteopathic Examiners, Board of .....	8510

“P”

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Peace Officer Standards and Training, Commission on.....	8120
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Pharmacy, Board of.....	1490
Physical Therapy Examining Committee ..	1420
Physician's Assistant Examining Committee .....	1430
Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Board of.....	8530
Planning and Research, Office of .....	0650
Podiatry Examining Committee .....	1440
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Postsecondary Education Commission, California ..	6420
Prison Terms, Board of .....	5440
Professional Engineers, Board of Registration for...	1500
Psychology Examining Committee .....	1450
Public Broadcasting Commission, California .....	8290
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Public Employment Relations Board .....	8320
Public Utilities Commission .....	8660

Item

Amount

## "R"

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Santa Monica Mountains Conservancy .....	3810
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Seismic Safety Commission .....	3580
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State Governments, Council of .....	8800
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## INDEX TWO

### INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and restrictions on the appropriations contained herein. Many of the general sections have been renumbered, and this index reflects the previously used number if it has changed.

- |      |  |
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## CHAPTER 325

An act to amend Section 7552 of the Public Utilities Code, relating to railroad corporations.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 7552 of the Public Utilities Code is amended to read:

7552. (a) Every railroad corporation is granted the right, subject to subdivision (b), to take from any of the lands belonging to the state, adjacent to the works of the corporation, all materials, such as wood, stone, and earth, naturally appurtenant thereto, which may be necessary and convenient for the construction of its works and adjuncts.

(b) Except as specified in subdivision (c), before a railroad corporation may take the materials specified in subdivision (a), the railroad corporation shall enter into an agreement with the Department of General Services to reimburse the state for the full value of the removed materials. The agreement shall contain a provision requiring the railroad corporation to return the land and timber to the natural state which existed prior to the removal of the materials, to the extent it is reasonable to do so, if the Department of General Services determines that requirement to be appropriate.

(c) A railroad corporation may take the materials specified in subdivision (a) without previously entering into the agreement specified in subdivision (b) if the railroad takes these materials for the purpose of reopening a rail line which was closed due to an unforeseeable or unexpected event. However, within 30 days after reopening the rail line, the railroad corporation shall enter into an agreement with the Department of General Services to reimburse the state for the full value of the removed materials.

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CHAPTER 326

An act to add Section 12500.6 to the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 12500.6 is added to the Business and Professions Code, to read:



12500.6. Notwithstanding Section 12500.5, the director may prohibit the sale or installation of any previously approved type or design of weight or measure or weighing, measuring, or counting instrument if the director determines the weight, measure, or instrument does not fulfill the purpose for which it was approved or that the weight, measure, or instrument is not identical to the approved type or design.

The director may initiate proceedings pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code to determine whether the approval should be revoked or modified, and to determine the period of time that the owner or user of any accurate device for which type approval has been revoked or modified may continue to use that device for commercial purposes, pending the replacement or modification of the device.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 327

An act to add Section 1203.045 to the Penal Code, relating to probation.

[Approved by Governor July 20, 1983 Filed with  
Secretary of State July 21, 1984.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1203.045 is added to the Penal Code, to read:

1203.045. (a) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any person convicted of a crime of theft of an amount exceeding one hundred thousand dollars (\$100,000).

(b) The fact that the theft was of an amount exceeding one hundred thousand dollars (\$100,000) shall be alleged in the accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury.

(c) When probation is granted, the court shall specify on the record and shall enter on the minutes the circumstances indicating

that the interests of justice would best be served by such a disposition.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 328

An act to add Section 22500.1 to the Vehicle Code, relating to vehicles.

[Approved by Governor July 20, 1983 Filed with  
Secretary of State July 21, 1984.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 22500.1 is added to the Vehicle Code, to read:

22500.1. In addition to Section 22500, no person shall stop, park, or leave standing any vehicle, whether attended or unattended, except when necessary to avoid conflict with other traffic or in compliance with the directions of a peace officer or official traffic control device along the edge of any highway, at any curb, or in any location in a publicly or privately owned or operated off-street parking facility, designated as a fire lane by the fire department or fire district with jurisdiction over the area in which the place is located.

The designation shall be indicated by a sign posted immediately adjacent to, and visible from, the designated place clearly stating in letters not less than 1 inch in height that the place is a fire lane, by outlining or painting the place in red and, in contrasting color, marking the place with the words "FIRE LANE", which are clearly visible from a vehicle or by a red curb or red paint on the edge of the roadway upon which is clearly marked the words "FIRE LANE".

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

## CHAPTER 329

An act to repeal Sections 1241.5 and 35200.5 of the Education Code, relating to schools.

[Approved by Governor July 20, 1983. Filed with  
Secretary of State July 21, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1241.5 of the Education Code is repealed.

SEC. 2. Section 35200.5 of the Education Code is repealed.

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CHAPTER 330

An act to amend Sections 35179 and 35180 of the Water Code, relating to water districts.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 35179 of the Water Code is amended to read:

35179. District elections shall be conducted in conformance with the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code) and the laws generally applicable to districts created and operated pursuant to this division, except as follows:

(a) As permitted by Section 23509 of the Elections Code, the general district election shall be held on the first Tuesday after the first Monday in November of every even-numbered year.

(b) As permitted by Section 23557 of the Elections Code, the general district election shall be consolidated with the statewide election in accordance with Chapter 4 (commencing with Section 23300) of Part 2 of Division 14 of the Elections Code.

(c) Those directors whose terms of office expire on the last Friday in June of 1984 shall, instead, continue in their offices until the last Friday in November of 1984, and those directors whose terms of office expire on the last Friday in June of 1986 shall, instead, continue in their offices until the last Friday in November of 1986.

SEC. 2. Section 35180 of the Water Code is amended to read:

35180. Directors of the district shall be elected on an at-large basis. Newly elected directors shall take office on the last Friday in November next following the general district election. The term of office of each director shall be four years and each director shall hold office until his successor qualifies and takes office. The terms of office

of directors shall continue to be staggered to keep as nearly equal as practicable the number of directors to be elected at each subsequent general district election.

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## CHAPTER 331

An act to amend Section 19062.11 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

**SECTION 1.** Section 19062.11 of the Revenue and Taxation Code is amended to read:

**19062.11.** (a) Except as provided in subdivision (b) or (c), if any overpayment of tax imposed by this part is refunded or credited within 90 days after the return is filed, or within 90 days after the last day prescribed for filing the return of the tax (determined without regard to any extension of time for filing the return), whichever is later, no interest shall be allowed under Section 19062 on the overpayment.

For the purposes of this section, the term "overpayment of tax" shall be defined to include a refund in excess of tax liability as prescribed in subdivision (h) of Section 17053.5.

(b) In the case of returns which set forth no determination or amount of tax liability, or credits other than that allowed under Section 17053.5, and which are filed solely for the purpose of claiming the renter credit, no interest shall be allowed on refunds made within 90 days from the date on which the return is filed, or within 90 days after the last day prescribed for filing the return, whichever is later. The provisions of this subdivision shall apply only in the event that communication with the claimant or other verification is necessary to determine entitlement to the claimed credit.

(c) For the 1982 taxable year and each taxable year thereafter, the 90-day time periods specified in subdivision (a) shall be 45 days.

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## CHAPTER 332

An act to amend Sections 22374, 22379, and 22381 of, and to add Section 22395 to, the Business and Professions Code, relating to invention developers.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 22374 of the Business and Professions Code is amended to read:

22374. Each and every contract for invention development services shall carry a distinctive and conspicuous cover sheet with the following notice (and no other) imprinted thereon in boldface type of not less than 10-point size:

“The following disclosures are required by law:

“You have the right to cancel this contract for any reason at any time within seven days from the date you and the invention developer sign the contract and you receive a fully executed copy of it. To exercise this option you need only mail or deliver to this invention developer written notice of your cancellation. The method and time for notification is set forth in this contract immediately above the place for your signature. Upon cancellation, the invention developer must return by mail, within five business days, all money paid and all materials provided by you.

“Your potential patent rights may be adversely affected by any attempt to commercialize your idea or invention before a patent application covering it is filed. Nonconfidential disclosures of your idea or invention may also trigger certain statutory deadlines for filing a patent application in the United States and would prevent you from obtaining valid patent rights in countries whose law provides that patent applications must be filed before there is a public disclosure.

“This contract between you and the invention developer is regulated by law. The invention developer is not qualified or permitted to advise you whether protection of your idea or invention is available under the patent, copyright or trademark laws of the United States or any other law. This contract does not provide any patent, copyright or trademark protection for your idea or invention. If your idea or invention is patentable, copyrightable or subject to trademark protection, or infringes an existing valid patent, copyright or trademark or a patent, copyright or trademark for which application has been made, your failure to inquire into these matters may affect your rights to your idea or invention.”

SEC. 2. Section 22379 of the Business and Professions Code is amended to read:

22379. Every contract for invention development services shall set forth in at least 10-point boldface type, or equivalent size if handwritten, all of the following:

(a) The terms and conditions of payment required by Section 22373.

(b) A full and detailed description of the acts or services that the invention developer undertakes to perform for the customer. To the

extent that the description of acts or services affords the invention developer discretion to decide what acts or services are to be performed by the invention developer, the invention developer shall exercise that discretion to promote the best interests of the customer.

(c) A statement whether the invention developer undertakes to construct one or more prototypes, models, or devices embodying the customer's invention.

(d) A statement whether the invention developer undertakes to sell or distribute one or more prototypes, models, or devices embodying the customer's invention.

(e) The name of the person or firm contracting to perform the invention development services, the name under which said person or firm is doing or has done business as an invention developer, and the name of any parent, subsidiary or affiliated company that may engage in performing the invention development services.

(f) The invention developer's principal business address and the name and address of its agent in the State of California authorized to receive service of process.

(g) The business form of the invention developer, whether corporate, partnership, or otherwise.

(h) A statement of the fee charged, a statement that a portion of the fee charged will be paid as a commission or other similar payment, if in fact it is intended to be so paid, to a person inducing, directly or indirectly, a customer to contract for the services of the invention developer, which statement shall specify the names of the person or persons receiving said payment; and a statement of the approximate portion of the fee charged, if any, that will be expended for services relating to patent matters.

(i) A statement that the invention developer does not intend to expend more for the invention development services than the fee charged the customer, if, in fact, it does not, and if it does, a statement of the estimated expenditures of the invention developer in excess of the fee received from the customer.

(j) If any oral or written representation of estimated or projected customer earnings is made, a statement of such estimation or projection and the data upon which it is based.

(k) A single statement setting forth both (1) the total number of customers who have contracted with the invention developer provided, however, that the number need not reflect those customers who have contracted within the last 30 days, and (2) the number of customers that have received, by virtue of the invention developer's performance of invention development services, an amount of money in excess of the amount of money paid by such customers to the invention developer.

(l) A statement that the invention developer is required to maintain all records and correspondence relating to performance of the invention development services for that customer for a period not less than three years after expiration of the term of the contract for invention development services.

(m) The name and address of the custodian of all records and correspondence relating to the performance of the invention development services.

(n) A statement that the records and correspondence required to be maintained by subdivision (m) above will be made available to the customer or his representative for review and copying at the customer's expense on the invention developer's premises during normal business hours upon seven days' written notice, said time period to begin from the date the notice is placed in the United States mail properly addressed first-class postage prepaid.

(o) A statement of the expected date of completion of the invention development services.

(p) A statement as follows:

"Your potential patent rights may be adversely affected by any attempt to commercialize your idea or invention before a patent application covering it is filed. Nonconfidential disclosures of your idea or invention may also trigger certain statutory deadlines for filing a patent application in the United States and would prevent you from obtaining valid patent rights in countries whose law provides that patent applications must be filed before there is a public disclosure.

"This contract between you and the invention developer is regulated by law. The invention developer is not qualified or permitted to advise you whether protection of your idea or invention is available under the patent, copyright or trademark laws of the United States or any other law. This contract does not provide any patent, copyright or trademark protection for your idea or invention. If your idea or invention is patentable, copyrightable or subject to trademark protection, or infringes an existing valid patent, copyright or trademark or a patent, copyright or trademark for which application has been made, your failure to inquire into these matters may affect your rights to your idea or invention."

SEC. 3. Section 22381 of the Business and Professions Code is amended to read:

22381. In the first oral communication with a customer or in the first written response to an inquiry by a customer other than an oral communication or written response, the primary purpose of which is to arrange an appointment with the invention developer for presentation of his or her invention development services, the invention developer shall cause the following written disclosures to be made and given to each customer at the time of the disclosure:

(a) A statement of the fee charged, if known, or a statement of the approximate range of fees charged; a statement that a portion of the fee charged will be paid as a commission or other similar payment, if in fact it is intended to be so paid, to a person inducing, directly or indirectly, a customer to contract for the services of the invention developer; and a statement of the approximate portion of the fee charged, if any, that will be expended for services relating to patent matters.

(b) A statement that the invention developer does not intend to expend more for the invention development services than the fee charged the customer, if, in fact, it does not, and if it does, a statement of the estimated expenditures of the invention developer in excess of the fee received from the customer.

(c) A single statement setting forth both (1) the total number of customers who have contracted with the invention developer; however, the number need not reflect those customers who have contracted within the last 30 days; and (2) the number of customers that have received by virtue of the invention developer's performance of invention development services an amount of money in excess of the amount of money paid by those customers to the invention developer.

(d) A statement as follows:

"Your potential patent rights may be adversely affected by any attempt to commercialize your idea or invention before a patent application covering it is filed. Nonconfidential disclosures of your idea or invention may also trigger certain statutory deadlines for filing a patent application in the United States and would prevent you from obtaining valid patent rights in countries whose law provides that patent applications must be filed before there is a public disclosure. Any contract for invention development services between you and our firm will be regulated by law. Our firm is not qualified or permitted to advise you whether protection of your idea or invention is available under the patent, copyright or trademark laws of the United States or any other law. The contract does not provide any patent, copyright or trademark protection for your idea or invention. If your idea or invention is patentable, copyrightable or subject to trademark protection, or infringes an existing valid patent, copyright or trademark or a patent, copyright or trademark for which application has been made, your failure to inquire into these matters may affect your rights to your idea or invention."

SEC. 4. Section 22395 is added to the Business and Professions Code, to read:

22395. An invention developer shall maintain as confidential all disclosures made to it by a customer seeking invention development services, except:

(a) Information which at the time of disclosure is in the public domain.

(b) Information which, after disclosure, becomes part of the public domain by publication or otherwise, independently of any act or omission by the invention developer.

(c) Information which the invention developer can establish by competent proof was in its possession at the time of disclosure by the customer, and was not acquired, directly or indirectly, from the customer.

(d) Information which the invention developer receives from a third party; provided, however, that such information was not obtained in confidence by said third party, directly or indirectly,



from the customer.

This duty of confidentiality includes the taking of reasonable steps by the invention developer to prevent disclosure of confidential information to third parties. This confidential relationship cannot be waived by a customer without an express written waiver by the customer of the invention developer's obligation of confidentiality, and no waiver shall be entered into until after the disclosures described in Section 22381 have been made.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 333

An act to amend Section 4157 of, and to repeal Section 4158 of, the Public Resources Code, relating to crimes.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4157 of the Public Resources Code is amended to read:

4157. Whenever the director or any of the employees or voluntary firewardens who are designated as peace officers pursuant to Section 4156 arrests any person for a violation of this article or for a violation of any law relating to forest or fire protection which is not a felony, he may immediately release the arrested person from his custody in the manner and under the conditions that are set forth in Section 853.6 of the Penal Code.

SEC. 2. Section 4158 of the Public Resources Code is repealed.

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## CHAPTER 334

An act to add Section 18807 to the Government Code, relating to state civil service.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18807 is added to the Government Code, to read:

18807. (a) The board, by resolution, shall define the term "salary step" for the purpose of administering civil service laws and rules that control movement of employees between classifications.

(b) Salary steps defined pursuant to this section shall be subject to the following requirements:

(1) The steps shall be as close to 5 percent as the board determines to be practicable.

(2) The steps shall logically reflect the pay relationships among each group of classifications.

(3) The steps shall maintain servicewide consistency and continuity in the percentage of salary increase permitted when an appointment is made without a competitive examination.

(c) A resolution adopted pursuant to this section shall be adopted at a public meeting and shall be made publicly available before and after its adoption.

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## CHAPTER 335

An act to amend Section 21602 of the Public Utilities Code, relating to aviation.

[Approved by Governor July 21, 1983 Filed with  
Secretary of State July 22, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 21602 of the Public Utilities Code is amended to read:

21602. (a) Subject to the terms and within the limits of special appropriations made by the Legislature, the department may render financial assistance by grant or loan, or both, to any political subdivision or political subdivisions jointly, in the planning, acquisition, construction, improvement, maintenance, or operation of an airport owned or controlled, or to be owned or controlled, by the political subdivision or subdivisions, if the financial assistance has been shown by public hearing to be essential to the proper development or maintenance of a statewide system of airports. Financial assistance may be furnished in connection with federal or other financial aid for the same purpose.

(b) The department shall establish within the Special Deposit Fund an account or accounts pursuant to Section 16370 of the Government Code for the management of funds for grants and loans to political subdivisions pursuant to this chapter and may transfer funds from the Aeronautics Account in the State Transportation

Fund to the account or accounts for these purposes.

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## CHAPTER 336

An act to add Section 23531.5 to the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1983 Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 23531.5 is added to the Elections Code, to read:

23531.5. Notwithstanding any other provision of law, special absent voting shall be allowed in lieu of voting by proxy in any landowner district election in which voting by proxy is allowed, provided that, at least 110 days before the election, the governing board of the district adopts the provisions of this section. If a district adopts the provisions of this section, the voting shall be conducted as follows:

(a) The absentee ballot shall be available to any eligible voter of the district.

(b) The form of application for the ballot shall be distributed to each voter with the sample ballot and shall contain spaces for the following: (1) the printed name and address of the voter, (2) the address to which the ballot is to be mailed, (3) the voter's signature, (4) the authorization of a legal representative, as defined in Section 34030 of the Water Code, to receive the absent voter's ballot if the voter so chooses, (5) the name and date of the election for which the request is made, (6) the date the application shall be received by the county clerk, which date shall be at least seven days before the election, and (7) the insertion of the sample ballot name and address label on the application.

(c) Upon receipt of absentee ballot application and verification that it has been properly completed, the county clerk shall mail an absent voter's ballot to the voter or legal representative with an identification envelope, which shall contain the following: (1) a declaration under penalty of perjury stating that the voter is entitled to vote in the election; (2) space for the signature of the voter or legal representative and the date of signing; (3) a notice that the envelope contains an official ballot and is to be opened only by the appropriate election officials.

(d) The voting shall be pursuant to those additional procedures, if any, which the county clerk shall deem necessary to the proper conduct of the election, provided that the overall additional procedures shall substantially comply with Division 2 (commencing

with Section 1000) and shall be consistent with landowner voting requirements.

(e) Notwithstanding Section 23527.5, the list of voters for landowner voting district elections in which absentee voting is allowed shall be delivered to the county clerk at least 40 days prior to the election.

(f) Notwithstanding Section 23540, the sample ballot for landowner voting district elections in which absent voting is allowed shall be mailed at least 20 days before the election.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

SEC. 3. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the provisions of this act may be available for use in elections conducted under the Uniform District Election Law in November, 1983, it is necessary that this act take effect immediately.

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## CHAPTER 337

An act to amend Section 24049.5 of the Business and Professions Code, and to amend Sections 6095, 6245, 6453, 6477, 6487, 7270, and 7272 of, and to add Section 19410 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 24049.5 of the Business and Professions Code is amended to read:

24049.5. (a) The State Board of Equalization may seize and sell the license of any off-sale or on-sale general licensee who, upon termination of business is delinquent in the payment of any taxes due under the Sales and Use Tax Law. In order for a seizure and sale of a license to be accomplished under this section, the licensee shall have either surrendered the license to the department or failed to pay the annual renewal fee to the department. Immediately upon

seizure the State Board of Equalization shall give written notice by first-class mail to the department and to the licensee of the seizure and of the intention of the board to sell the license. The seizure and sale shall be in accordance with the provisions of Article 6 (commencing with Section 6796) of Chapter 6 of Part 1 of Division 2 of the Revenue and Taxation Code and with the provisions of this division. Nothing within these provisions shall be construed to permit the State Board of Equalization to sell alcoholic beverages.

(b) For the purposes of this section "termination of business" means the licensee has ceased business operations and has either surrendered the license to the department or failed to pay the annual renewal fee by the date specified in subdivision (b) of Section 24048.1 or subdivision (b) of Section 24048.3.

(c) The licensee may redeem the license at any time prior to the date of sale of the license by the board or the appropriate reinstatement deadline, whichever occurs first, by conforming to the requirements for reinstatement of a license pursuant to Sections 24048.1 and 24048.3.

The person who purchases the license at the sale may reinstate the license by paying the applicable fees, but the transfer shall be effective only on approval of the department after the purchaser has complied with the requirements for transfer provided in this division.

(d) Paragraph (1) of subdivision (a) of Section 699.720 of the Code of Civil Procedure shall not be construed to limit the authority of the State Board of Equalization to seize and sell licenses pursuant to this section.

SEC. 2. Section 6095 of the Revenue and Taxation Code is amended to read:

6095. If a purchaser gives a certificate with respect to the purchase of fungible goods, or purchases those goods for resale in the regular course of business, and thereafter commingles these goods with other fungible goods not so purchased but of such similarity that the identity of the constituent goods in the commingled mass cannot be determined, sales from the mass of commingled goods shall be deemed to be sales of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold. Goods removed from the commingled mass for consumption shall be deemed to be a consumption of goods not so purchased until a quantity of commingled goods equal to the quantity of goods not so purchased has been consumed.

SEC. 3. Section 6245 of the Revenue and Taxation Code is amended to read:

6245. If a purchaser gives a certificate with respect to the purchase of fungible goods, or purchases those goods for resale in the regular course of business, and thereafter commingles these goods with other fungible goods not so purchased but of such similarity that the identity of the constituent goods in the commingled mass can not be determined, sales from the mass of commingled goods shall be

deemed to be sales of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold. Goods removed from the commingled mass for consumption shall be deemed to be consumption of goods not so purchased until a quantity of commingled goods equal to the quantity of goods not so purchased has been consumed.

SEC. 4. Section 6453 of the Revenue and Taxation Code is amended to read:

6453. For purposes of the sales tax, the return shall show the gross receipts of the seller during the preceding reporting period and, in the case of a person who is liable for the sales tax and is not a seller, the gross receipts of such person for the period in which the liability was incurred. For purposes of the use tax, in case of a return filed by a retailer, the return shall show the total sales price of the property sold by him or her, the storage, use, or consumption of which property became subject to the use tax during the preceding reporting period; in case of a return filed by a purchaser, the return shall show the total sales price of the property purchased by him or her, the storage, use, or consumption of which became subject to the use tax during the preceding reporting period.

The return shall also show the amount of the taxes for the period covered by the return and any other information which the board deems necessary for the proper administration of this part.

SEC. 5. Section 6477 of the Revenue and Taxation Code is amended to read:

6477. Any person required to make a prepayment pursuant to Section 6471 or Section 6471.5 who fails to make a prepayment before the last day of the monthly period following the quarterly period in which the prepayment became due and who files a timely return and payment for the quarterly period in which the prepayment became due shall pay a penalty of 6 percent of the amount equal to 90 percent or 95 percent of the tax liability, as prescribed in those sections, for each of the periods during that quarterly period for which a required prepayment was not made.

SEC. 6. Section 6487 of the Revenue and Taxation Code is amended to read:

6487. For taxpayers filing returns on other than an annual basis, except in the case of fraud, intent to evade this part or authorized rules and regulations, or failure to make a return, every notice of a deficiency determination shall be mailed within three years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the later. In the case of failure to make a return, every notice of determination shall be mailed within eight years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined.

For taxpayers filing returns on an annual basis, except in the case of fraud, intent to evade this part or authorized rules and regulations,

or failure to make a return, every notice of a deficiency determination shall be mailed within three years after the last day of the calendar month following the one-year period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the later. In the case of failure to make a return, every notice of determination shall be mailed within eight years after the last day of the calendar month following the one-year period for which the amount is proposed to be determined.

The limitation specified in this section does not apply in case of a sales tax proposed to be determined with respect to sales of property for the storage, use, or other consumption of which notice of a deficiency determination has been or is given pursuant to Sections 6486, 6515, and 6537 and to the first or second paragraph of this section. The limitation specified in this section does not apply in case of an amount of use tax proposed to be determined with respect to storage, use, or other consumption of property for the sale of which notice of a deficiency determination has been or is given pursuant to Sections 6486, 6515, and 6537 and to the first or second paragraph of this section.

SEC. 7. Section 7270 of the Revenue and Taxation Code is amended to read:

7270. Prior to the operative date of any ordinance imposing a transactions and use tax pursuant to this part, the district shall contract with the board to perform all functions incident to the administration and operation of the ordinance. If the district has not contracted with the board prior to the operative date of its ordinance, it shall nevertheless so contract and, in that case, the operative date shall be the first day of the first calendar quarter following the execution of the contract.

The contract shall contain a provision that the district shall reimburse the board for and hold the board harmless from any and all costs, losses, or refunds of any kind whatsoever if a final judgment is entered in a court of competent jurisdiction holding that the ordinance imposing the transactions and use tax is unconstitutional or otherwise invalid.

SEC. 8. Section 7272 of the Revenue and Taxation Code is amended to read:

7272. The district shall pay to the board its costs of preparation to administer and operate the transactions and use taxes ordinance. The district shall pay such costs monthly as incurred and billed by the board. Such costs include all preparatory costs, including costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing of forms, developing instructions for the board's staff and for taxpayers, and other necessary preparatory costs which shall include the board's direct and indirect costs as specified by Section 11256 of the Government Code. Any disputes as to the amount of preparatory costs incurred shall be resolved by the Director of Finance, and his

or her decision shall be final. The maximum amount of all preparatory costs to be paid by the district shall not, in any event, exceed one hundred seventy-five thousand dollars (\$175,000).

SEC. 9. Section 19410 is added to the Revenue and Taxation Code, to read:

19410. If a taxpayer fails to file a return within 60 days after the Franchise Tax Board issues a notice and demand for the return, the Franchise Tax Board may petition the court for a writ of mandate to require the taxpayer to file a return. The judgment shall include costs in favor of the prevailing party.

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## CHAPTER 338

An act to amend Section 20102 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 20102 of the Government Code is amended to read:

20102. The board shall cause ballots to be distributed to each active and retired member of the system in advance of each election, and shall provide for the return of the voted ballots to the board without cost to the member. The board shall develop election procedures which shall be subject to review, approval, and certification by the Secretary of State. The results shall be certified by the Secretary of State. The board may require all persons who perform election duties to certify, under penalty of perjury, that they properly performed those duties.

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## CHAPTER 339

An act to add Section 2705.5 to the Public Utilities Code, relating to water companies.

[Approved by Governor July 21, 1983. Filed with  
Secretary of State July 22, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2705.5 is added to the Public Utilities Code, to read:

2705.5. Any person, firm, or corporation, and their lessees, receivers, or trustees appointed by any court, that maintains a



mobilehome park or a multiple unit residential complex and provides, or will provide, water service to users through a submeter service system is not a public utility and is not subject to the jurisdiction, control, or regulation of the commission if each user of the submeter service system is charged at the rate which would be applicable if the user were receiving the water directly from the serving public utility water company.

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## CHAPTER 340

An act to amend Sections 21641 and 21642 of the Business and Professions Code, relating to secondhand dealers.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 21641 of the Business and Professions Code is amended to read:

21641. The chief of police, the sheriff or, where appropriate, the police commission, shall accept an application for and grant a license permitting the licensee to engage in the business of secondhand dealer, as defined in Section 21626, to an applicant who has not been convicted of an attempt to receive stolen property or any other offense involving stolen property. Prior to the granting of a license, the licensing authority shall submit the application to the Department of Justice. If the Department of Justice does not comment on the application within 30 days thereafter, the licensing authority may grant the applicant a license. All forms for application and licensure, and license renewal, shall be prescribed and provided by the Department of Justice. A fee may be charged to the applicant as specified by the Department of Justice for processing the initial license application.

For the purposes of this section, "convicted" means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

SEC. 2. Section 21642 of the Business and Professions Code is amended to read:

21642. (a) A license granted pursuant to Section 21641 shall be renewable one year from the date of issue, and annually thereafter, upon the filing of a renewal application and the payment of a license renewal fee specified by the licensing authority.

(b) The license shall be subject to forfeiture by the licensing authority and the licensee's activities as a secondhand dealer shall be subject to being enjoined pursuant to Section 21646 for breach of any of the following conditions:

(1) The business shall be carried on only in the building or buildings designated in the license.

(2) The license or a copy thereof, certified by the licensing authority, shall be displayed on the premises where it can easily be seen.

(3) The licensee shall not engage in the business of secondhand dealer, as defined in Section 21626, with any minor.

(4) The licensee shall not engage in any act which is in violation of this article.

(5) The licensee shall not be convicted of an attempt to receive stolen property or any other offense involving stolen property. For the purposes of this paragraph, "convicted" means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the chief of police, the sheriff or, where appropriate, the police commission, is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

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## CHAPTER 341

An act to amend Section 10901 of, and to add Section 10900.5 to, the Education Code, relating to community recreation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 10900.5 is added to the Education Code, to read:

10900.5. Notwithstanding the provisions of this chapter, school districts which, prior to the effective date of this section, have interpreted their authority as permitting the use of school buses by nonprofit organizations for purposes consistent with community recreation may continue to permit this use under established practices, policies, and procedures.

SEC. 2. Section 10901 of the Education Code is amended to read:  
10901. The following terms, wherever used or referred to in this chapter have the following meanings, respectively, unless a different meaning clearly appears from the context:

(a) "Public authority" means any city of any class, city and county, county of any class, public corporation or district having powers to provide recreation, or school district or community college district in the state.

(b) "Governing body" means, in the case of a city, the city council, municipal council, or common council; in the case of a county or city

and county, the board of supervisors; in the case of a public corporation or district, the governing board of the public corporation or district; and in the case of a school district, the governing board of the school district or community college district.

(c) "Recreation" means any activity, voluntarily engaged in, which contributes to the physical, mental, or moral development of the individual or group participating therein, and includes any activity in the fields of music, drama, art, handicraft, science, literature, nature study, nature contacting, aquatic sports, and athletics, or any of them, and any informal play incorporating any such activity.

(d) "Community recreation" and "public recreation" mean such recreation as may be engaged in under direct control of a public authority, or any camping or outdoor recreation activity which is (1) sponsored by a nonprofit organization, (2) for the benefit of disadvantaged or handicapped school-age children, and (3) in a county with a population less than or equal to 45,000 according to the most recent federal census.

(e) "Nonprofit organization" means those nonprofit organizations which, as determined by the governing board of the school district, are unable to pay for the private transportation of disadvantaged or handicapped school-age children to recreation activities.

(f) "Recreation center" means a place, structure, area, or other facility under the jurisdiction of a governing body of a public authority used for community recreation whether or not it may be used primarily for other purposes, playgrounds, playing fields or courts, beaches, lakes, rivers, swimming pools, gymnasiums, auditoriums, libraries, parks adjacent to school sites, recreational community gardens, rooms for arts and crafts, camps, and meetingplaces.

Playgrounds, outdoor playing fields or courts, swimming pools, and camps, with necessary equipment and appurtenances for their operation, under the jurisdiction of a governing board of a public authority used for community recreation shall be considered recreation centers within the meaning of this chapter whether or not they may be used primarily for other purposes.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that disadvantaged or handicapped school-age children shall be able to benefit at the earliest possible time from outdoor recreation activities sponsored by nonprofit organizations, it is necessary that this act take effect immediately.

## CHAPTER 342

An act to amend Section 5110 of, and to add Sections 4800.1 and 4800.2 to, the Civil Code, relating to property.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4800.1 is added to the Civil Code, to read:

4800.1. For the purpose of division of property upon dissolution of marriage or legal separation, property acquired by the parties during marriage in joint tenancy form is presumed to be community property. This presumption is a presumption affecting the burden of proof and may be rebutted by either of the following:

(a) A clear statement in the deed or other documentary evidence of title by which the property is acquired that the property is separate property and not community property.

(b) Proof that the parties have made a written agreement that the property is separate property.

SEC. 2. Section 4800.2 is added to the Civil Code, to read:

4800.2. In the division of community property under this part unless a party has made a written waiver of the right to reimbursement or signed a writing that has the effect of a waiver, the party shall be reimbursed for his or her contributions to the acquisition of the property to the extent the party traces the contributions to a separate property source. The amount reimbursed shall be without interest or adjustment for change in monetary values and shall not exceed the net value of the property at the time of the division. As used in this section, "contributions to the acquisition of the property" include downpayments, payments for improvements, and payments that reduce the principal of a loan used to finance the purchase or improvement of the property but do not include payments of interest on the loan or payments made for maintenance, insurance, or taxation of the property.

SEC. 3. Section 5110 of the Civil Code is amended to read:

5110. Except as provided in Sections 5107, 5108, and 5126, all real property situated in this state and all personal property wherever situated acquired during the marriage by a married person while domiciled in this state, and property held in trust pursuant to Section 5113.5, is community property; but whenever any real or personal property, or any interest therein or encumbrance thereon, is acquired prior to January 1, 1975, by a married woman by an instrument in writing, the presumption is that the same is her separate property, and if so acquired by the married woman and any other person the presumption is that she takes the part acquired by her, as tenant in common, unless a different intention is expressed in the instrument; except, that when any of the property is acquired

by husband and wife by an instrument in which they are described as husband and wife, unless a different intention is expressed in the instrument, the presumption is that the property is the community property of the husband and wife. The presumptions in this section mentioned are conclusive in favor of any person dealing in good faith and for a valuable consideration with a married woman or her legal representatives or successors in interest, and regardless of any change in her marital status after acquisition of the property.

In cases where a married woman has conveyed, or shall hereafter convey, real property which she acquired prior to May 19, 1889, the husband, or his heirs or assigns, of the married woman, shall be barred from commencing or maintaining any action to show that the real property was community property, or to recover the real property from and after one year from the filing for record in the recorder's office of the conveyances, respectively.

As used in this section, personal property does not include and real property does include leasehold interests in real property.

SEC. 4. This act applies to the following proceedings:

(a) Proceedings commenced on or after January 1, 1984.

(b) Proceedings commenced before January 1, 1984, to the extent proceedings as to the division of the property are not yet final on January 1, 1984.

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## CHAPTER 343

An act to amend Sections 61621.2, 61621.3, 61621.4, 61765.3, 61765.4, 61765.5, and 61765.6 of the Government Code, relating to community services districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 61621.2 of the Government Code is amended to read:

61621.2. A district may elect to have any, or all, rates or charges for any purposes, or any delinquencies in those rates or charges, collected on the tax roll in any forthcoming fiscal year in the same manner, by the same persons, and at the time as, together with and not separately from, its general taxes in the manner prescribed in Sections 61765.2 to 61765.6, inclusive. In that event, the district shall cause a written report to be prepared and filed by the secretary, which report shall contain a description of each parcel of real property and the amount of the rates or charges for any purposes, or the amount of any delinquencies in any of those rates or charges, for each parcel for the year.

SEC. 2. Section 61621.3 of the Government Code is amended to read:

61621.3. In lieu of the collection procedures for rates, charges, and delinquencies provided in Sections 61621 and 61621.2, a district may record, in the office of the county recorder of the county in which such real property is located, a certificate specifying the amount, interest and penalty due, the name and last known address of the person liable therefor, and that such charges remain delinquent for a period of 60 days. From the time of recordation of the certificate, the amount required to be paid for rates, charges, and delinquencies together with interest and penalty thereon, constitutes a lien upon all real property of the delinquent property owner in the county. The lien created by recording the certificate shall have the force, effect, and priority of a judgment lien and shall continue for three years from the time of recording unless sooner released or otherwise discharged.

The district shall include a statement on its bill to each delinquent property owner of any lien for rates, charges, and delinquencies created pursuant to this section.

SEC. 3. Section 61621.4 of the Government Code is amended to read:

61621.4. A district which elects to have any, or all, rates or charges for any purposes, or any delinquencies in those rates or charges, collected on the tax roll pursuant to the provisions of Section 61621.2, or to establish a lien for service charges pursuant to the provisions of Section 61621.3, shall reimburse the county for the expenses the county may reasonably incur as a result of the obligations created pursuant to those sections.

SEC. 4. Section 61765.3 of the Government Code is amended to read:

61765.3. At the time stated in the notice, the board shall hear and consider all objections or protests, if any, to the report referred to in the notice and may continue the hearing from time to time. Upon the conclusion of the hearing, the board may adopt, revise, change, reduce, or modify an assessment, or any charges for any purposes, or any delinquencies in those assessments or charges, or overrule any or all objections. The board shall make its determination upon each assessment, or each charge or each delinquency, as described in the report, which determination shall be final. The board may make appropriate adjustments that may be necessary as a result of the equalization of the assessment roll subsequent to the filing of the report.

SEC. 5. Section 61765.4 of the Government Code is amended to read:

61765.4. On or before the 10th day of August of each year following such final determination, the secretary shall file with the county auditor a copy of the report with a statement endorsed thereon over the secretary's signature that it has been finally adopted by the board and the auditor shall enter the amount of the

assessments or the charges against the respective lots or parcels of land as they appear on the current assessment roll. If the property is not described on the roll, the auditor may enter the description thereon together with the amounts of the assessments, the charges for any purposes, or the delinquencies in those assessments or charges, as shown in the report.

SEC. 6. Section 61765.5 of the Government Code is amended to read:

61765.5. The amount of the assessments, charges, or delinquencies shall constitute a lien against the lot or parcel of land against which the assessment, charge, or delinquency has been imposed as of 12:01 a.m. on the first day of March immediately preceding the date of levy.

SEC. 7. Section 61765.6 of the Government Code is amended to read:

61765.6. The county tax collector shall include the amounts of the assessment, the charges for any purpose, or the delinquencies in those assessments or charges on bills for taxes levied against the respective lots and parcels of land. Thereafter the amount of the assessments, charges, or delinquencies in those assessments or charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the district, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties. All laws applicable to the levy, collection, and enforcement of general taxes of the district, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, and redemption, are applicable to such assessments, charges, or delinquencies. However, if for the first year the charge is levied, the real property to which the charge relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of such taxes appear on the roll, then the charge, or the delinquency in that charge, assessed pursuant to this section shall not result in a lien against the property, but instead shall be transferred to the unsecured roll for collection.

SEC. 8. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit districts to transfer delinquent charges to the tax rolls as soon as possible, it is necessary for this act to take effect immediately.

## CHAPTER 344

An act to amend Section 24357.8 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 24357.8 of the Revenue and Taxation Code is amended to read:

24357.8. (a) In the case of a qualified research contribution, the amount otherwise allowed as a deduction under Section 24357, shall be reduced by that amount of the reduction provided by Section 24357.1 which is no greater than the sum of the following:

(1) One-half of the amount computed pursuant to Section 24357.1 (computed without regard to this paragraph).

(2) The amount (if any) by which the charitable contribution deduction under this section for any qualified research contribution (computed by taking into account the amount determined by paragraph (1), but without regard to this paragraph) exceeds twice the basis of the property.

(b) For purposes of this section, "qualified research contribution" means a charitable contribution by a taxpayer of tangible personal property described in paragraph (1) of Section 1221 of the Internal Revenue Code of 1954, but only if all of the following conditions are met:

(1) The contribution is to an educational organization which is described in subsection (b) (1) (A) (ii) of Section 170 of the Internal Revenue Code of 1954 and which is an institution of higher education (as defined in Section 3304 (f) of the Internal Revenue Code of 1954) in California.

(2) The contribution is made not later than two years after the date the construction of the property is substantially completed.

(3) The original use of the property is by the donee.

(4) The property is scientific equipment or apparatus substantially all of the use of which by the donee is for research or experimentation (within the meaning of Sections 24365 to 24368, inclusive), or for research training, in physical or biological sciences, or for instructional purposes.

(5) The property is not transferred by the donee in exchange for money, other property, or services.

(6) The taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of paragraphs (5) and (6).



(7) With respect to property substantially all of the use of which is for instructional purposes, the taxpayer receives from the donee a written statement representing that the property is state-of-the-art equipment or apparatus and will be used as an integral part of the instructional program.

(8) The contribution is made on or after July 1, 1983, and on or before June 30, 1985.

(c) For purposes of this section, property shall be treated as constructed by the taxpayer only if the cost of the parts used in the construction of the property (other than parts manufactured by the taxpayer or a related person) do not exceed 50 percent of the taxpayers's basis in the property.

(d) For purposes of this section, the term "taxpayer" shall not include a service organization (as defined in Section 414(m) (3) of the Internal Revenue Code of 1954).

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, this act shall be applied to income years beginning on and after July 1, 1983.

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## CHAPTER 345

An act to amend Section 40902 of the Vehicle Code, relating to offenses.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 40902 of the Vehicle Code is amended to read:

40902. (a) The court, pursuant to this section, may, by rule, provide that the defendant may elect to have a trial by written declaration upon any alleged infraction involving a violation of this code or any local ordinance adopted pursuant to this code.

(b) The court, or the issuing agency where appropriate, shall, however, provide that a defendant who has received a notice of a parking violation issued under Section 41103 and who resides more than 100 miles from the court or the jurisdiction where the parking citation was issued, may elect to have a trial by written declaration pursuant to this section.

(c) Notwithstanding the provisions of Division 10 (commencing with Section 1200) of the Evidence Code, the rules governing trials by written declaration may provide for testimony and other relevant evidence to be introduced in the form of a notice to appear issued pursuant to Section 40500, a notice of parking violation issued pursuant to Section 41103, a business record or receipt, a sworn

declaration of the arresting officer, or a written statement or letter signed by the defendant.

(d) If the defendant is dissatisfied with a decision of the court in a proceeding pursuant to this section, the defendant shall be granted a trial de novo.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

SEC. 3. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

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## CHAPTER 346

An act to amend Section 1161a of the Code of Civil Procedure, relating to tenants.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1161a of the Code of Civil Procedure is amended to read:

1161a. (a) In any of the following cases, a person who holds over and continues in possession of real property after a three-day written notice to quit the property has been served upon the person, or if there is a subtenant in actual occupation of the premises, also upon such subtenant, as prescribed in Section 1162, may be removed therefrom as prescribed in this chapter:

(1) Where the property has been sold pursuant to a writ of execution against such person, or a person under whom such person claims, and the title under the sale has been duly perfected.

(2) Where the property has been sold pursuant to a writ of sale, upon the foreclosure by proceedings taken as prescribed in this code of a mortgage, or under an express power of sale contained therein, executed by such person, or a person under whom such person claims, and the title under the foreclosure has been duly perfected.

(3) Where the property has been sold in accordance with Section 2924 of the Civil Code, under a power of sale contained in a deed of trust executed by such person, or a person under whom such person claims, and the title under the sale has been duly perfected.

(4) Where the property has been sold by such person, or a person under whom such person claims, and the title under the sale has been

duly perfected.

(b) Notwithstanding the provisions of subdivision (a), a tenant or subtenant in possession of a rental housing unit which has been sold by reason of any of the causes enumerated in subdivision (a), who rents or leases the rental housing unit either on a periodic basis from week to week, month to month, or other interval, or for a fixed period of time, shall be given written notice to quit pursuant to Section 1162, at least as long as the term of hiring itself but not exceeding 30 days, before the tenant or subtenant may be removed therefrom as prescribed in this chapter.

(c) For the purpose of this section, "rental housing unit" means any structure or any part thereof which is rented or offered for rent for residential occupancy in this state.

SEC. 2. Nothing in this chapter shall be construed to affect the rights of a tenant or subtenant in possession of a rental housing unit pursuant to a fixed term lease when the rental housing unit has been sold by the owner and the title under the sale has been duly perfected.

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## CHAPTER 347

An act to amend Section 868.5 of the Penal Code, relating to criminal proceedings.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 868.5 of the Penal Code is amended to read:

868.5. (a) Notwithstanding any other provision of law, a prosecuting witness 16 years of age or under in a case involving a violation of Section 243.4, 261, 285, 286, 288, 288a, 289 or 647a, or a violation of subdivision (1) of Section 314, shall be entitled for support to the attendance of a parent, guardian or sibling of his or her own choosing, whether or not a witness, at the preliminary hearing and at the trial, during the testimony of the prosecuting witness. The person so chosen shall not be a person described in Section 1070 of the Evidence Code unless the person is related to the prosecuting witness as a parent, guardian or sibling and does not make notes during the hearing.

(b) If the person so chosen is also a prosecuting witness, the prosecution shall present, on noticed motion, evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing, the court must grant the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the

prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony.

(c) The testimony of the person so chosen who is also a prosecuting witness shall be presented before the testimony of the prosecuting witness. The prosecuting witness shall be excluded from the courtroom during the person's testimony. Whenever the evidence given by the person would be subject to exclusion because given before the corpus delicti has been established, the evidence shall be admitted subject to the court's or the defendant's motion to strike that evidence from the record if the corpus delicti is not later established by the testimony of the prosecuting witness.

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## CHAPTER 348

An act to amend Section 1242.7 of, and to add Sections 1242.8 and 1242.9 to, the Business and Professions Code, relating to hemodialysis technicians, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1242.7 of the Business and Professions Code is amended to read:

1242.7. (a) The State Department of Health Services shall, within six months after the effective date of this section, adopt rules and regulations prescribing minimum training standards for persons employed as hemodialysis technicians.

(b) Each dialysis clinic or dialysis unit within a licensed clinic or hospital, as defined respectively in Sections 1204 and 1250 of the Health and Safety Code, or any person operating or using dialysis equipment, other than a dialysis patient, shall have available to the department for review and approval, its training program and test for hemodialysis technicians. The training program shall include training in the administration of local anesthetics, heparin, and sodium chloride solutions. The requirements set forth in Section 1242.8 shall prevail over the requirements of this section with regard to any test requirements for the administration of these medications. The test shall be administered by personnel performing the training at each dialysis clinic or dialysis unit and shall include written, oral and practical examinations designed to accurately test the proficiency of personnel in training on the type of dialyzer and equipment utilized at the dialysis clinic or dialysis unit. Six months after the adoption of rules and regulations pursuant to subdivision (a), those dialysis clinics or dialysis units without an approved training program and test shall not be permitted to train personnel

until they submit and receive approval for a training program and test by the department. A training program and test shall be approved or rejected by the department within 30 days after submission. If action on a program cannot be accomplished within 30 days after submission, the department shall not enforce the provisions of this section with respect to any facility whose program is not acted upon until the department acts to approve or reject. The department shall submit to the Legislature copies of any notice informing facilities that the department cannot act on their application within 30 days. In the case of persons employed as hemodialysis technicians on the effective date of this section, the test shall be taken and passed within one year of the effective date of this section or their employment shall be terminated. Any person employed as a hemodialysis technician on the effective date of this section may perform venipuncture and arterial puncture for the purpose of providing dialysis treatment for a patient as defined by regulations of the department.

(c) Personnel in training shall be classified as dialysis technician trainees and shall be immediately supervised by a licensed physician and surgeon or by a licensed registered nurse whenever the trainee is involved in direct patient care prior to passing the test. Persons employed as hemodialysis technicians on the effective date of the act amending this section during the second year of the 1981-82 Regular Session of the Legislature who have taken and been notified of their failure to successfully complete the approved test shall be reclassified as dialysis technician trainees. These persons shall be immediately supervised by a licensed physician and surgeon or by a licensed registered nurse whenever involved in direct patient care, and shall be required to successfully complete the approved test within six months after taking their first test or their employment shall be terminated.

(d) Each dialysis unit shall make available to the department the names of individuals employed by them as dialysis technicians and evidence that those persons have completed the approved training and successfully passed the approved test. Evidence of completion of the training program and passage of the prescribed test shall include the particular type of dialyzer and equipment upon which the individual was trained and tested and shall be a part of the individual's personnel records.

(e) The department may revoke or suspend the license of any dialysis clinic or unit or any licensed clinic or hospital for any violation of any provision of this section or Section 1242.8.

(f) For the purposes of this section, the following terms shall have the following meanings:

(1) "Hemodialysis technician" means an unlicensed health care provider who is employed by a hemodialysis clinic or unit for the purpose of participating in the direct treatment of patients undergoing hemodialysis. The treatment of patients includes performing venipuncture and arterial puncture for the purpose of

providing dialysis treatment for a patient, as defined by regulations of the department. The treatment of patients includes the administration of local anesthetics, heparin, and sodium chloride solutions. The administration of these medications shall be pursuant to protocol established by the medical director of the dialysis facility and the requirements prescribed in Section 1242.8, and shall be under the immediate supervision of a licensed physician and surgeon or a licensed registered nurse. The administration of local anesthetics shall be limited to intradermal, subcutaneous, or topical administration.

(2) "Immediate supervision" means supervision of dialysis treatment in the same room in which the dialysis treatment is being performed.

SEC. 2. Section 1242.8 is added to the Business and Professions Code, to read:

1242.8. (a) The medical director of the dialysis facility shall certify the competency of each hemodialysis technician authorized to administer medications pursuant to Section 1242.7. This certification shall be issued in writing and be retained by the facility and the employee, shall be valid for two years and shall be nonrenewable. If the hemodialysis technician changes employment during the period of certification, the medical director of the facility employing the hemodialysis technician may recertify his competence, except that recertification may not extend the termination date beyond the two-year limitation granted by the initial certification.

(b) Each hemodialysis technician shall pass a standardized test developed by the department that measures the technician's competency to administer the medications specified in Section 1242.7 by the termination date established pursuant to subdivision (a). The medical director of the dialysis facility shall administer the test required by this subdivision. Hemodialysis technicians who fail this test and whose certification has expired are prohibited from administering these medications until they successfully complete the test.

(c) Hemodialysis technicians who are certified by the Board of Nephrology Examination for Nurses and Technicians are exempted from the requirements of this section and Section 1242.7.

SEC. 3. Section 1242.9 is added to the Business and Professions Code, to read:

1242.9. The department, in consultation with the University of California, the California Dialysis Council, the California Medical Association, the California Nurses Association, the Board of Medical Quality Assurance, and the Board of Registered Nurses shall develop the test specified in subdivision (b) of Section 1242.8 on or before May 1, 1984, and shall make the test available for administration in accordance with the test procedures set forth in Section 1242.7 on or before July 1, 1984.

SEC. 4. The amendments made to Section 1242.7 of the Business

and Professions Code by this act are clarifying and interpretive of existing law.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent the termination of hemodialysis technicians throughout the state due to uncertainty of existing law and to prevent the possible loss of services of this important health care provider to hemodialysis patients of California it is necessary that this act go into immediate effect.

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## CHAPTER 349

An act to add Section 5805 to the Revenue and Taxation Code, relating to mobilehomes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 5805 is added to the Revenue and Taxation Code, to read:

5805. (a) Notwithstanding any other provision of law, mobilehome accessories, as defined in Section 18008.5 of the Health and Safety Code, installed on a rented or leased lot with a mobilehome first sold prior to January 1, 1977, and which were subject to the state vehicle license fee, shall not be subject to local property taxation, unless the mobilehome is also subject to local property taxation pursuant to this part or the accessory is permanently affixed to the land, such as on a foundation.

(b) In accordance with subdivision (a), mobilehome accessories installed on a rented or leased lot with a mobilehome first sold prior to January 1, 1977, shall be presumed subject to the state vehicle license fee. This presumption may be rebutted by evidence that an accessory was not included in the vehicle license fee base for the mobilehome or was not otherwise subject to the vehicle license fee.

SEC. 2. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency or school district for property tax revenues lost as a result of this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to avoid the prospect of double taxation, where, in some

counties, mobilehome accessories sold prior to 1977 and already subject to a vehicle license fee have been placed on the local property tax rolls, it is necessary that this act take effect immediately.

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## CHAPTER 350

An act to amend Sections 91503 and 91504 of the Government Code, relating to industrial development financing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 91503 of the Government Code is amended to read:

91503. The property acquired pursuant to the provisions of this article shall be suitable for, or shall evidence an obligation respecting, certain activities or uses. The activities or uses shall include one or more of the activities or uses described in subdivision (a) and, unless incidental to such an activity or use, shall not include any of the activities described in (and not excepted from) subdivision (b).

(a) (1) Industrial uses including, without limitation, assembling, fabricating, manufacturing, processing, or warehousing activities or motor carrier terminals with respect to any products of agriculture, forestry, mining, or manufacture, provided that these activities have demonstrated job creation or retention potential.

(2) Energy development, production, collection, conversion (from one form of energy to another), storage, or conservation activities, or energy transmission, transportation, or conveyance as distinguished from distribution activities.

(b) (1) Residential real property for family unit or other housing activities;

(2) Sports activities;

(3) Convention or trade show activities;

(4) Airport, dock, wharf, mass commuting, or parking activities, or storage or training activities related to any thereof;

(5) Sewage or solid waste disposal activities or electric energy or gas furnishing activities, except any such activities if the property acquired is suitable for one or more of the activities described in paragraph (2) of subdivision (a);

(6) Air or water pollution control activities;

(7) Water furnishing activities;

(8) Telephone or community television furnishing activities;

(9) Industrial park land development activities;

(10) Any activities of persons qualifying as exempt persons under Section 501 of the Internal Revenue Code of 1954, as amended,



undertaken by such persons, other than activities constituting an unrelated trade or business as described in Section 513 of that code.

SEC. 2. Section 91503 of the Government Code is amended to read:

91503. The property acquired pursuant to the provisions of this article shall be suitable for, or shall evidence an obligation respecting, certain activities or uses. The activities or uses shall include one or more of the activities or uses described in subdivision (a) and, unless incidental to such an activity or use, shall not include any of the activities described in (and not excepted from) subdivision (b).

(a) (1) Industrial uses including, without limitation, assembling, fabricating, manufacturing, processing, or warehousing activities or motor carrier terminals with respect to any products of agriculture, forestry, mining, or manufacture, provided that these activities have demonstrated job creation or retention potential.

(2) Energy development, production, collection, conversion (from one form of energy to another), storage, or conservation activities, or energy transmission, transportation, or conveyance as distinguished from distribution activities.

(3) Research and development activities relating to commerce or industry including without limitation professional, administrative, and scientific office and laboratory activities or uses.

(b) (1) Residential real property for family unit or other housing activities;

(2) Sports activities;

(3) Convention or trade show activities;

(4) Airport, dock, wharf, mass commuting, or parking activities, or storage or training activities related to any thereof;

(5) Sewage or solid waste disposal activities or electric energy or gas furnishing activities, except any such activities if the property acquired is suitable for one or more of the activities described in paragraph (2) of subdivision (a);

(6) Air or water pollution control activities;

(7) Water furnishing activities;

(8) Telephone or community television furnishing activities;

(9) Industrial park land development activities;

(10) Any activities of persons qualifying as exempt persons under Section 501 of the Internal Revenue Code of 1954, as amended, undertaken by such persons, other than activities constituting an unrelated trade or business as described in Section 513 of that code.

SEC. 3. Section 91504 of the Government Code is amended to read:

91504. Unless the context otherwise requires, the definitions in this article shall govern the construction of this title, as follows:

(a) "Acquire" and its variants means acquire, construct, improve, furnish, equip, repair, reconstruct or rehabilitate.

(b) "Administration expenses" means the reasonable and necessary expenses incurred by an authority in the administration of the provisions of this title, including, without limitation, fees and

costs of paying agents, trustees, attorneys, consultants, and others.

(c) "Authority" means any industrial development authority established pursuant to the provisions of this title.

(d) "Board" means the board of directors of an authority.

(e) "Bonds" means the revenue obligations, inclusive of principal (premium, if any) and interest authorized to be issued by any authority under this title, including a single bond, a promissory note or notes, including bond anticipation notes, or other instruments evidencing an indebtedness or obligation.

(f) "Bond proceeds" means all amounts received by an authority upon sale or other disposition of any bonds.

(g) "Commission" means the California Industrial Development Financing Advisory Commission established pursuant to Article 3 (commencing with Section 91550).

(h) "Company" means a person, partnership, corporation, whether for profit or not, trust, or other private enterprise of whatever legal form, for which a project is undertaken or proposed to be undertaken pursuant to this title or which is in possession of property owned by an authority, and may include more than a single enterprise.

(i) "Cost" as applied to any project, may embrace:

(1) The cost of construction, improvement, repair, and reconstruction.

(2) The cost of acquisition, including rights in land and other property, both real and personal and improved and unimproved, and franchises, and disposal rights.

(3) The cost of demolishing, removing, or relocating any building or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated.

(4) The cost of machinery, equipment and furnishings, of engineering and architectural surveys, plans, and specifications, and of transportation and storage until the facility is operational.

(5) The cost of agents or consultants, including, without limitation, legal, financial, engineering, accounting, and auditing, necessary or incident to a project and of the determination as to the feasibility or practicability of undertaking such project.

(6) The cost of financing, interest prior to, during, and for a reasonable period after completion of a project, and reserves for principal and interest and for extensions, enlargements, additions, repairs, replacements, renovations, and improvements.

(7) The cost of acquiring or refinancing existing obligations incident to the undertaking and carrying out, including the financing, of a project, and the reimbursement to any governmental entity or agency, or any company, of expenditures made by or on behalf of such entity, agency, or company that are costs of such project hereunder, without regard to whether or not such expenditures may have been made before or after the adoption of a resolution of intention with respect to that project by an authority.

(8) The cost of making relocation assistance payments as provided by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1.

“Cost” shall not otherwise embrace working capital.

(j) “Facilities” means property suitable for any one or more of the activities or uses described in Section 91503 and includes incidental facilities.

(k) “Governing body” means the board of supervisors, or city council, as the case may be.

(l) “Indenture” means any mortgage, deed of trust, trust indenture, security agreement, or other instrument relating to establishing a lien or security interest in, or on, property, any pledge or other instrument relating to the possession of property, and any assignment or other instrument relating to establishing any right, title, or interest in, or related to, property, including the revenues therefrom, given by an authority to a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state, or bondholder or agent, for the security of its bonds and the benefit of the bondholders.

(m) “Proceedings” means the actions taken by an authority in undertaking, carrying out, and completing a project, including, without limitation, the project agreements, indenture, bonds, and resolutions.

(n) “Project” means the acquisition of facilities by the issuance of bonds upon the application of and to be repaid by payments from a company for the purposes of this title.

(o) “Project agreements” means the agreements between an authority and a company respecting a project, and may include, without limitation, leases, subleases, options, and installment or other contracts of purchase or sale, loan, or guaranty agreements, notes, mortgages, deeds of trust, and security agreements.

(p) “Property” means any land, air rights, water rights, disposal rights, improvements, buildings or other structures, and any personal property, and includes, but is not limited to, machinery and equipment, whether or not in existence or under construction, and interests in any of the foregoing, or promissory notes or other obligations of any kind respecting such interests.

(q) “Public agency” means any county, city and county, city, or redevelopment agency.

(r) “Revenues” means all rents, purchase payments, and other income derived by an authority from, or with respect to, the sale, lease, or other voluntary or involuntary disposition of, or repayment of loans with respect to, property, bond proceeds, and any receipts derived from the deposit or investment of any such income or proceeds in any fund or account of an authority, but does not include receipts designated to cover administration expenses.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

In order to require conformity with the standards for public financing of industrial and commercial development by redevelopment agencies at the earliest possible time, it is necessary that this statute take immediate effect.

SEC. 5. It is the intent of the Legislature, if this bill and Assembly Bill 1863 are both chaptered and become effective on or before January 1, 1984, both bills amend Section 91503 of the Government Code, and this bill is chaptered after Assembly Bill 1863, that Section 91503 of the Government Code, as amended by Section 2 of Assembly Bill 1863, be further amended on the effective date of this act in the form set forth in Section 2 of this act to incorporate the changes in Section 91503 proposed by this bill. Therefore, if this bill and Assembly Bill 1863 are both chaptered and become effective on or before January 1, 1984, and Assembly Bill 1863 is chaptered before this bill and amends Section 91503, Section 2 of this act shall become operative on the effective date of this act and Section 1 of this act shall not become operative.

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## CHAPTER 351

An act to add Section 3144.5 to the Civil Code, relating to mechanics' liens.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3144.5 is added to the Civil Code, to read:  
3144.5. Any person who obtains a lien release bond which is recorded pursuant to Section 3143 shall give notice of the recording to the lienholder by mailing a copy of the bond to the lienholder at the address appearing on the lien. Service of the notice shall be by certified or registered mail, return receipt requested. Failure to give the notice provided by this section shall not affect the validity of the lien release bond, but the statute of limitations on any action on the bond shall be tolled until the notice is given. Any action on the lien release bond shall be commenced by the claimant within six months of the recording of the lien release bond.

## CHAPTER 352

An act to amend Section 12061 of the Education Code, to amend Sections 113, 114, 1248.5, 44538, 50913, and 51005 of, and to repeal Section 1185.5 of, the Health and Safety Code, to repeal Section 38205 of the Revenue and Taxation Code, to amend Sections 4677, 11311, 11333, and 11338 of, and to repeal Section 10628 of, the Welfare and Institutions Code, and to repeal Section 4 of Chapter 1286 of the Statutes of 1978, Section 3.10 of Chapter 5 of the Statutes of 1979, and Section 2 of Chapter 1280 of the Statutes of 1980, relating to the Legislative Analyst, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 12061 of the Education Code is amended to read:

12061. The State Board of Education shall annually, on or before March 15 of each calendar year, submit any state plan required by the acts of Congress referred to in Sections 12050 and 12051 to the Legislative Analyst.

SEC. 2. Section 113 of the Health and Safety Code is amended to read:

113. (a) The fees or charges for the issuance or renewal of any permit, license, or registration pursuant to Sections 436.53, 543, 544, 545, 546, 547, 1616, 1676, 1677, 4042, 4042.2, 4042.3, 11887, 25198.7, 25694, 25696, 25697, 25817, 26688, 27010, 27011, 28126, 28410, 28411, and 28702 shall be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the department. After the first annual adjustment of fees or charges pursuant to this section, the fees or charges subject to subsequent adjustment shall be the fees or charges for the prior calendar year. The percentage change shall be determined by the Department of Finance, and shall include at least the total percentage change in salaries and operating expenses of the department. However, the total increase in amounts collected under this section shall not exceed the total increased cost of the program or service provided.

(b) The department shall publish annually a list of the actual numerical fee charges for each permit, license, certification, or registration governed by this section. This adjustment of fees and publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 3. Section 114 of the Health and Safety Code is amended to read:

114. (a) The fees or charges for a record search or for the

issuance of any certificate, permit, registration, or any other document pursuant to Sections 26840 and 26859 of the Government Code, or Sections 10375, 10376.8, 10400, 10420, 10430, 10433.3, 10450, 10455, 10470, 10475, 10500, 10550, 10575, 10605, 10606, 10610, 10610.2, 10612, 10613, 10614, 10615, 10616, 10617, 10618, and 10619 of this code, may be adjusted annually by the percentage change determined pursuant to Section 113.

The base amount to be adjusted shall be the statutory base amount of the fee or charge plus the sum of the prior adjustments to the statutory base amount. Whenever the statutory base amount is amended, the base amount shall be the new statutory base amount plus the sum of adjustments to the new statutory base amount calculated subsequent to the statutory base amendment. The actual dollar fee or charge shall be rounded to the next highest whole dollar.

(b) Beginning January 1, 1983, the state department shall annually publish a list of the actual numerical fee charges as adjusted pursuant to this section. This adjustment of fees and the publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 4. Section 1185.5 of the Health and Safety Code is repealed.

SEC. 4.5. Section 1248.5 of the Health and Safety Code is amended to read:

1248.5. It is the intent of the Legislature to prevent the potential loss of needed community health services and to maintain the health care services now provided by community clinics and free clinics by making annual appropriations for the purposes of this article. In addition to the amounts regularly appropriated for purposes of this article, the state department shall seek supplementary funding from the federal government and private sources. Costs of administration of this article shall not exceed an amount equal to 5 percent of the total amount appropriated for the grants-in-aid program during the fiscal year.

It is the intent of the Legislature that if in future fiscal years the funding for this program is significantly increased, the state department shall reduce its administrative cost to the extent feasible.

SEC. 5. Section 44538 of the Health and Safety Code is amended to read:

44538. The authority, no later than March 31 of each year, shall submit to the Legislature and to the Treasurer a report of its activities for the preceding calendar year ended December 31. The report shall include (1) a listing of applications received, (2) a listing of applications accepted for financing, (3) specification of bonds sold, interest rates thereon, and whether bond sales were pursuant to public bid or were negotiated, (4) specification of the amount of bonds authorized but currently unsold, (5) a projection of the authority's needs and requirements for the coming year, and (6) a report of revenues and expenditures for the preceding fiscal year. The Treasurer shall review the report and advise the Legislature in

writing of any problems and of any impact on the state's credit rating and the state's ability to borrow funds for state programs.

SEC. 5.5. Section 50913 of the Health and Safety Code is amended to read:

50913. For its activities under this division, the executive director shall prepare a preliminary budget on or before December 1 of each year for the ensuing fiscal year to be reviewed by the Secretary of the Business and Transportation Agency, the Director of Finance, and the Joint Legislative Budget Committee.

SEC. 6. Section 51005 of the Health and Safety Code is amended to read:

51005. The agency shall, within 90 days following the close of each fiscal year, submit an annual report of its activities under this division for the preceding year to the Governor, the Secretary of the Business and Transportation Agency, the Director of Housing and Community Development, the Treasurer, the Joint Legislative Budget Committee, and the Legislature. The report shall set forth a complete operating and financial statement of the agency during the concluded fiscal year. The report shall specify the number of units assisted, the distribution of units among the metropolitan, nonmetropolitan, and rural areas of the state, and shall contain a summary of statistical data relative to the incomes of households occupying assisted units, the monthly rentals charged to occupants of rental housing developments, and the sales prices of housing developments purchased during the previous fiscal year by housing sponsors who are persons or families of low or moderate income. The report shall also include a statement of accomplishment during the previous year with respect to the agency's progress, priorities, and affirmative action efforts. The agency shall specifically include in its report on affirmative action goals, statistical data on the numbers and percentages of minority sponsors, developers, contractors, subcontractors, suppliers, architects, engineers, attorneys, mortgage bankers or other lenders, insurance agents and managing agents. The agency shall cause an audit of its books and accounts with respect to its activities under this division to be made at least once during each fiscal year by an independent certified public accountant and the agency shall be subject to audit by the Department of Finance not more often than once each fiscal year.

Commencing with fiscal year 1981-82, the agency shall include in its annual report information with respect to the number of manufactured housing units assisted by the agency.

SEC. 7. Section 38205 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 4677 of the Welfare and Institutions Code is amended to read:

4677. All parental fees collected by or for regional centers shall be remitted to the State Treasury to be deposited in the Developmental Disabilities Program Development Fund, which is hereby created and hereinafter called the Program Development

Fund. The purpose of the Program Development Fund shall be to provide resources needed to initiate new programs, consistent with approved priorities for program development in the state plan. In no event shall an allocation from the Program Development Fund be granted for more than 24 months.

On or before October 1, 1982, the State Council on Developmental Disabilities shall request from all regional centers information on priority services needed but currently unavailable. Based on the information provided by the regional centers and other local agencies, the State Council on Developmental Disabilities shall annually develop an assessment of the level of need for new community programs. This needs assessment shall be included in the state plan. The State Council on Developmental Disabilities, in consultation with the Department of Developmental Services, shall make a recommendation to the Department of Finance as to the level of funding for program development to be included in the Governor's Budget, based upon this needs assessment.

Parental fee schedules shall be evaluated pursuant to the provisions of Section 4785 and adjusted annually by the department, with the approval of the state council. Fees for out-of-home care shall bear an equitable relationship to the cost of the care and the ability of the family to pay.

In addition to parental contributions and General Fund appropriations, the Program Development Fund may be augmented by federal funds available to the state for program development purposes, when these funds are allotted to the Program Development Fund in the state plan. The Program Development Fund is hereby appropriated to the department, and subject to any allocations which may be made in the annual Budget Act. In no event shall any of these funds revert to the General Fund. Prior to July 1, 1983, the Department of Finance shall review the utilization and effectiveness of the Program Development Fund and shall report its findings to the Legislature.

The department may allocate funds from the Program Development Fund for any legal purpose, provided that requests for proposals and the allocations are approved by the state council, in consultation with the department, and are consistent with the priorities for program development in the state plan. Allocations from the Program Development Fund shall take into consideration the following factors:

- (1) The future fiscal impact of the allocations on other state supported programs for developmentally disabled persons.
- (2) The information on priority services needed but currently unavailable submitted by the regional centers.

Consistent with the level of need as determined in the state plan, excess parental fees may be used for purposes other than new program development only when specifically appropriated to the Department of Developmental Services for these other purposes.

For the 1982-83 fiscal year only, parental fees in excess of those



appropriated in the Budget Act of 1982 are hereby appropriated to the State Department of Developmental Services for purchasing services by regional centers.

Under no circumstances shall the deposit of federal moneys into the Program Development Fund be construed as requiring the State Department of Developmental Services to comply with a definition of "developmental disabilities" and "services for persons with developmental disabilities" other than as specified in subdivisions (a) and (b) of Section 4512 for the purposes of determining eligibility for developmental services or for allocating parental fees and state general funds deposited in the Program Development Fund.

SEC. 9. Section 10628 of the Welfare and Institutions Code is repealed.

SEC. 10. Section 11311 of the Welfare and Institutions Code is amended to read:

11311. The Employment Development Department, in consultation with the State Department of Social Services, shall contract with San Diego County, at the county's option, to provide experimental work experience assignments for unemployed parents receiving aid under this chapter who have completed job search assistance workshops and are still unemployed and for whom the work experience assignments are appropriate based upon an assessment by the county under contract with the Employment Development Department. Primary participants will be the designated unemployed parent from two-parent AFDC families.

A work experience assignment shall provide all of the following:

(a) Appropriate standards for health, safety, and other conditions applicable to the performance of work.

(b) Assignments which do not result in displacement of persons currently employed, or the filling of established unfilled position vacancies.

(c) Reasonable conditions of work, taking into account the geographic region, the residence of the participants, and the proficiency of the participants.

(d) Participants shall not be required to travel an unreasonable distance from their homes or remain away from their homes overnight.

(e) The maximum number of hours in any month that a participant may be required to work is that number which equals the amount of aid payable with respect to the family of which the individual is a member divided by the greater of the federal or the applicable minimum wage. In no event shall the hours of required work exceed 32 hours in four days of any given workweek, the fifth day of the workweek remaining for job search.

(f) Transportation and other costs reasonably necessary and directly related to participation in the assignment.

The purpose of the work experience experiment shall be to determine the usefulness of such an approach in achieving the eventual employment of the unemployed parent.

The work experience assignment shall be in public and private nonprofit agencies which meet the requirements of subdivision (e) of Section 5007.5 of the Unemployment Insurance Code.

The County of San Diego shall be responsible for the nonfederal costs of all work-related expenses, work incentives, and the administrative costs of operating the work experience assignments which are not funded under the Work Incentive Program or any other federal program. Any unemployed parent who refuses to participate in the work experience assignment without good cause as specified in Section 5007 and Chapter 4 (commencing with Section 5300) of the Unemployment Insurance Code shall be sanctioned consistent with the provisions of federal law for the Work Incentive Program.

This section shall remain in effect only until July 1, 1984, and on that date is repealed.

SEC. 11. Section 11333 of the Welfare and Institutions Code is amended to read:

11333. The department shall submit by February 1 of each year, a report to the Legislative Analyst detailing the performance and status of this program. This annual report shall meet the requirements of Section 5202 of the Unemployment Insurance Code. Commencing with 1982, the report shall estimate net expenditure reductions reasonably attributable to the operation of programs under this article.

SEC. 12. Section 11338 of the Welfare and Institutions Code is amended to read:

11338. The Employment Development Department with the cooperation of the Department of Social Services shall report to the Legislative Analyst by April 1 of each year detailing the performance and status of the programs provided for under this article. The annual report shall meet the requirement of Section 5202 of the Unemployment Insurance Code. Commencing with 1983, the report shall include the best available information on the program's impact on the public assistance costs.

SEC. 13. Section 4 of Chapter 1286 of the Statutes of 1978 is repealed.

SEC. 14. Section 3.10 of Chapter 5 of the Statutes of 1979 is repealed.

SEC. 15. Section 2 of Chapter 1280 of the Statutes of 1980 is repealed.

SEC. 16. Prior to March 1, 1984, the Legislative Analyst shall prepare and submit to the Legislature and to the Revenue and Taxation Committees in each house a report which reviews existing law governing the taxation of timber and timberland. In this report, the Legislative Analyst shall recommend modifications in existing law so that timber will bear an equitable and proportionate tax share in conformance with the provisions of Chapter 3 (commencing with Section 38202) of Part 18.5 of Division 2 of the Revenue and Taxation Code. The Legislative Analyst may request from the various counties

and agencies of the state whatever information is necessary to facilitate completion of this report.

SEC. 17. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the Legislative Analyst to more efficiently perform high priority assignments by eliminating statutory requirements for unnecessary reports, it is necessary that this act go into immediate effect.

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## CHAPTER 353

An act to amend Section 65361 of the Government Code, relating to local planning.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 65361 of the Government Code is amended to read:

65361. (a) Except as provided in subdivision (b), the general plan shall be amended no more frequently than four times during any calendar year, which amendment or amendments may occur at any time as determined by the legislative body.

(b) This section does not apply to amendment of any general plan element requested and necessary for a single development of residential units, at least 25 percent of which will be occupied by or available to persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code. The specified percentage of low- or moderate-income housing may be developed on the same site as the other residential units proposed for development, or on another site or sites encompassed by the general plan, in which case the combined total number of residential units shall be considered a single development proposal.

(c) This section does not apply to the adoption of any element to the general plan or to the amendment of the general plan, or an element thereof, in order to comply with a court decision pursuant to Article 14 (commencing with Section 65750).

## CHAPTER 354

An act to amend Section 1800 of the Insurance Code, relating to bail bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1800 of the Insurance Code is amended to read:

1800. (a) An insurer shall not execute an undertaking of bail except by and through a person holding a bail license issued as provided in this chapter. A person shall not in this state solicit or negotiate in respect to execution or delivery of an undertaking of bail or bail bond by an insurer, or execute or deliver such an undertaking of bail or bail bond unless licensed as provided in this chapter, but if so licensed, such person may so solicit, negotiate, and effect such undertakings or bail bonds without holding or being named in any license specified in Chapter 5 of this part.

(b) For purposes of this section, "solicit" shall include any written or printed presentation or advertising made by mail or other publication, or any oral presentation or advertising by means of telephone, radio, or television which implies that an individual is licensed under this chapter, and any activity in arranging for bail which results in remuneration to the individual conducting that activity.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is necessary that this act take effect immediately in order to terminate as soon as possible the activities of so called "bail consultants," who are not licensed by the state and who are disrupting the criminal justice system.

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CHAPTER 355

An act to amend Sections 18620, 18652, and 18711 of, and to add Section 18630.1 to, the Business and Professions Code, relating to boxing.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18620 of the Business and Professions Code is amended to read:

18620. There is in the Department of Consumer Affairs the State Athletic Commission, which consists of eight members.

Of the additional members of the commission provided for at the 1982 portion of the 1981–82 Regular Session of the Legislature, one member shall be appointed by the Governor, one member shall be appointed by the Senate Rules Committee, and one by the Speaker of the Assembly. Thereafter, vacancies shall be filled by appointment by the appointing power of the successor to the office in a manner so that six members are appointed by the Governor, one member by the Senate Rules Committee, and one member by the Speaker of the Assembly.

The State Athletic Commission succeeds to and is vested with the duties, powers, purposes, responsibilities and jurisdiction of the Division of Athletics and of the officers and employees of that division.

Notwithstanding the provisions of Section 1322 of the Government Code, the additional members of the commission provided for by the amendments to this section enacted at the 1982 portion of the 1981–82 Regular Session of the Legislature shall not require the confirmation of the Senate.

SEC. 2. Section 18630.1 is added to the Business and Professions Code, to read:

18630.1. No inspector, as defined in Section 18630, shall be assigned to regulate an event under the authority or jurisdiction of the commission who, within the preceding six months, has not participated in a district inspector's clinic or received formal training, at which the laws and regulations of the commission and related problems have been discussed. The commission is authorized to pay the necessary traveling expenses and other necessary expenses of an inspector while in attendance at the clinic or formal training.

SEC. 3. Section 18652 of the Business and Professions Code is amended to read:

18652. This chapter does not apply to amateur boxing or wrestling contests sponsored by the United States Olympic Committee or wrestling contests sponsored by the district association of the Amateur Athletic Union of America, subject to approval by the State Athletic Commission of California, provided the entire net proceeds are used for the purpose of defraying the expenses of teams of amateur wrestlers engaged in international competition.

SEC. 4. Section 18711 of the Business and Professions Code is amended to read:

18711. Except as provided in subdivision (d) of Section 18653 and Section 18713, every club licensed under this chapter shall, within 72 hours after the determination of every contest, match, or exhibition

for which an admission fee is charged and received, furnish to the commission a written report duly verified by one of its officers, showing the number of tickets issued or sold for such contest, match, or exhibition, the amount of the gross receipts or value thereof, and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of such contest, match, or exhibition, and without any deductions, except for expenses incurred for the announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross base taxable when such expense is shown as an indirect overhead or loss and is approved by the commission. Such club shall also, within the same time, pay to the commission a tax, exclusive of any federal taxes paid thereon, of one cent (\$.01) for each twenty cents (\$.20), or fraction thereof, of the amount paid for admission to such contest, match, or exhibition, and of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall such tax be less than fifty dollars (\$50). The tax on admissions applies to the amount actually paid for admission, and not to the regular established price. No tax is due in the case of a person admitted free of charge.

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## CHAPTER 356

An act to amend Sections 18593, 18610, 18626, and 18631 of the Financial Code, and to amend Sections 778.2 and 1733 of the Insurance Code, relating to premium finance.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 18593 of the Financial Code is amended to read:

18593. The downpayments received by the company under the provisions of Section 18592, may be held by the company in trust in a separate bank account or depository, or in lieu thereof, the company may maintain a time deposit with a bank, savings and loan association, or comparable institution, or obtain a certificate or certificates of deposit or a clean and irrevocable letter or letters of credit from a bank, in an amount at least equal to the average amount of such downpayments being held at any given time by the company as ascertained by the commissioner, and which are payable to the insurer pursuant to the terms of the premium finance agreement. Such deposits, certificates, or a clean and irrevocable letter or letters of credit shall be held in trust for the benefit of the insureds, as their relative interests in such downpayments may exist at any given time,

and in the event of the insolvency of a company, such funds on deposit under the provisions of this section or as represented by a certificate or certificates of deposit or a clean and irrevocable letter or letters of credit shall be first applied to remitting the amount of the downpayment to the insureds on all premium finance agreements upon which the company has not then forwarded in full the downpayments collected from and then being held for insureds, and, if insufficient to pay all such amounts in full, then such funds shall be applied for such purposes pro rata.

SEC. 2. Section 18610 of the Financial Code is amended to read:

18610. The insurer within a reasonable time after the effective date of cancellation shall return whatever gross unearned premiums or accrued dividends are payable under the insurance contract to the company, which financed the insurance contract, for the benefit of the insured. Whenever any funds are received by the company which are in excess of the amount due to the company, such an excess shall be remitted promptly to the insured or to his order or to the insurance agent for the account of the insured.

SEC. 3. Section 18626 of the Financial Code is amended to read:

18626. A premium finance agency may, in a premium finance agreement, contract for, charge, receive, and collect a finance charge which shall not exceed in the aggregate:

(a) Two percent per month on that part of the unpaid principal balance of any loan up to, including, but not in excess of, one thousand dollars (\$1,000).

(b) One percent per month on any remainder of such unpaid principal balance in excess of one thousand dollars (\$1,000).

As used in this article "consumer insurance premium finance loan" shall mean an insurance premium finance loan where the insurance policies which are security for the loan are for personal, family or household use.

(c) As an alternative to the charges authorized by subdivisions (a) and (b), a premium finance agency may contract for and receive charges at a rate not exceeding 1.6 percent per month on the unpaid principal balance.

SEC. 4. Section 18631 of the Financial Code is amended to read:

18631. (a) A premium finance agreement may provide for the payment of a default charge of one dollar (\$1) to a maximum of 5 percent of the delinquent installment, in the event of a default for a period of not less than 10 days in the payment of any scheduled installment under the terms of a premium finance agreement. Such charge may not be collected more than once for the same default and may be collected at the time of such default or at any time thereafter. If such default charge is deducted from any payment received after default occurs, and such deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

(b) A premium finance agreement may provide for the payment of a dishonored check fee not to exceed five dollars (\$5) for actual

expenses incurred in the processing of a dishonored check.

SEC. 5. Section 778.2 of the Insurance Code is amended to read:

778.2. (a) Any person engaged in business as an insurance agent or broker and who participates in the arrangement of a premium financing agreement shall, if he accepts compensation for arranging, directing, or performing services in connection with the premium financing agreement, disclose to the insured, in a manner and form established by the commissioner, the amount of compensation he is to receive from the premium financer and maintain for three years and make available to the commissioner a list of accounts in connection with which he has accepted compensation for premium financing services showing the amount of such compensation with respect to each premium financing agreement and with respect to each financing schedule used by the agent or broker. The requirements of this subdivision shall not apply with respect to interest paid to the broker or agent by the premium financer based upon delay in payment of the premium due the insurer as permitted under subdivision (a) or (b) of Section 18628 of the Financial Code.

(b) The commissioner shall hold a hearing and adopt by regulation a standard procedure and form for making the disclosure to the insured required by subdivision (a).

SEC. 6. Section 1733 of the Insurance Code is amended to read:

1733. All funds received by any person acting as an insurance agent, broker, or solicitor, life agent, life analyst, surplus line broker, special lines surplus line broker, motor club agent, or bail agent or solicitor, as premium or return premium on or under any policy of insurance or undertaking of bail, are received and held by such person in his fiduciary capacity. Any such person who diverts or appropriates such fiduciary funds to his own use is guilty of theft and punishable for theft as provided by law. Any premium which a premium financer agrees to advance pursuant to the terms of a premium finance agreement shall constitute fiduciary funds as defined in this section only if actually received by a person licensed in one or more of the capacities herein specified.

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## CHAPTER 357

An act to amend Section 42314 of the Health and Safety Code, relating to air pollution.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 42314 of the Health and Safety Code is amended to read:

42314. Notwithstanding any other provision of any state or local



new source review or prevention of significant deterioration rules and regulations, the district shall issue permits for the following:

(a) (1) The construction and operation of a cogeneration technology project, if the project will utilize, for each affected pollutant only, the appropriate degree of pollution control technology (BACT or LAER) as defined and to the extent required by the rules of the district.

(2) Pursuant to procedures developed in accordance with Section 41605, for the electrical generation portion of any cogeneration project offsets shall be provided by the applicant only for those pollutant emissions which exceed the calculated average of emissions from hydrocarbon combustion based electrical generating facilities operated by the serving utility in the same air basin to provide the same amount of electrical energy. In no event shall any calculated utility pollutant emissions displacements which may be considered in accordance with this section be banked or otherwise reserved for future use.

(3) Except as provided in paragraph (2), offsets shall be provided in accordance with the requirements of local rules and regulations.

(4) For cogeneration projects smaller than 50 megawatts for which offsets are required under either paragraph (2) or (3), the applicant shall be required to provide offsets only to the extent they are available from facilities it owns or operates in the district and would mitigate the project's impacts. In the case of a cogeneration project using a combined cycle configuration, the electrical capacity of the steam turbine portion may be excluded from the calculation of the total electrical capacity of the project for purposes of subdivision (a) of Section 41604 and of this paragraph only if no supplemental firing is used for the steam turbine portion and if the combustion turbine has a minimum efficiency of 25 percent.

(5) In providing the electrical generation credit for the project pursuant to paragraph (2), and for the purposes of this section only, the utility, where not an applicant, shall not be required to furnish emission offsets on a case-by-case basis for the project, nor shall this section permit the district on a case-by-case basis to limit the ability of the utility to operate its existing hydrocarbon combustion facilities in accordance with the requirements of the Public Utilities Code or the governing body of a public utility owned by a municipality or other political subdivision of the state.

(b) The construction of a resource recovery project, if all of the following conditions are met:

(1) The project produces 50 megawatts or less of electricity.

(2) The project will utilize the appropriate degree of pollution control technology required by the new source review rule of the district.

(3) The project applicant has, in the judgment of the district, made a good faith effort to secure all available emission offsets to mitigate the impact of the project, but that sufficient offsets or other mitigation measures are not available. The applicant, however, shall

be required to secure all the offsets which are available to mitigate the air quality impact of the project, except for resource recovery projects which constitute a modification to an existing source under the district's new source review rule, in which case the applicant shall only be required to provide offsets from facilities which the applicant owns or operates within the air basin.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

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## CHAPTER 358

An act to add Section 15327.5 to the Government Code, relating to economic development.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 15327.5 is added to the Government Code, to read:

15327.5. (a) Notwithstanding Section 15327, the department may pool the loans and sell any notes or other evidence of indebtedness derived from grants or loans of moneys on deposit in the California Economic Development Grant and Loan Fund. In addition, the department may insure those loans.

(b) The proceeds derived from the sale of notes or other evidence of indebtedness shall be used for economic development in a manner consistent with Section 304 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. Sec. 3153).

(c) Any local development corporation may participate in a transaction by the department of notes or other evidence of indebtedness pursuant to subdivision (a).

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## CHAPTER 359

An act to amend Section 89724 of, and to amend and repeal Section 89721 of, the Education Code, relating to the California State University.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 89721 of the Education Code, as amended by Section 2 of Chapter 1165 of the Statutes of 1982, is amended to read:

89721. Notwithstanding any other provision of law to the contrary, the chief fiscal officer of each campus of the California State University shall deposit into and maintain in local trust accounts or in trust accounts in accordance with the provisions of Sections 16305 to 16305.7, inclusive, of the Government Code, or in the California State University Trust Fund, moneys received in connection with the following sources or purposes:

(a) Gifts, bequests, devises, and donations received under Section 89720.

(b) Any student loan or scholarship fund program, including but not limited to, student loan programs of the state, federal government (including programs referred to in Section 89723), local government, or private sources.

(c) Advance payment for anticipated expenditures or encumbrances in connection with federal grants or contracts.

(d) Room, board, and similar expenses of students enrolled in the international program of the California State University.

(e) Cafeteria replacement funds.

(f) Miscellaneous receipts in the nature of deposits subject to return upon approval of a proper application.

(g) Fees and charges for services, materials, and facilities authorized by Section 89700 where such fees or charges are required of those persons who, at their option, use the services or facilities, or are provided the materials, for which the fees or charges are made. Fees and charges so received and deposited shall be used solely to meet the costs of providing such services, materials, and facilities.

(h) Fees for instructionally related activities as defined by the trustees and as authorized by Section 89700 and revenues derived from the conduct of such instructionally related activities. The trustees shall have all authority necessary to administer and use the fees and revenues received and deposited to support such instructionally related activities.

SEC. 2. Section 89721 of the Education Code, as amended by Section 3 of Chapter 1165 of the Statutes of 1982, is repealed.

SEC. 3. Section 89724 of the Education Code, as added by Section 4 of Chapter 254 of the Statutes of 1981, is amended to read:

89724. (a) All money received from the sale of publications pursuant to Section 90500, all money received under an agreement entered into pursuant to Section 89036, and except as to the fees and charges specified in subdivisions (g) and (h) of Section 89721, all money collected as fees from students in any state university and

from other persons under Section 89030, Sections 89036 to 89040, inclusive, and Sections 89700, 89705, 89708, 89709, 89720, and 89721, and by reason of Section 2080.9 of the Civil Code, is hereby appropriated for the support of the California State University in addition to such other amounts as may be appropriated therefor by the Legislature. Money received under Sections 89720 and 89721, or received by reason of Section 2080.9 of the Civil Code, is appropriated without regard to fiscal year. Money received by reason of Section 2080.9 of the Civil Code shall be used for student scholarships and loans pursuant to such regulations as the trustees shall provide, and while held pending the grant of a scholarship or loan, may be invested by the Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to such investment shall also be used for those scholarships and loans. Money received by reason of Sections 89720 and 89721 may be invested, upon approval of the trustees, by the Treasurer or by the chief fiscal officer of a campus of the California State University, in those eligible securities listed in Section 16430 of the Government Code and in investment certificates or withdrawal shares in federal or state credit unions which are doing business in this state and which have their accounts insured by the National Credit Union Administration. Any money so invested or deposited shall be invested or deposited in certificates, shares, or accounts fully covered by the insurance. All interest and other earnings received pursuant to the investment of money received by reason of Sections 89720 and 89721 shall also be used for such purposes as may be established by the trustees consistent with the terms and conditions of the gift, bequest, devise, donation, or agreement under Sections 89720 and 89721. Except as otherwise provided with respect to money received by reason of Section 2080.9 of the Civil Code and Sections 89720 and 89721 of this code, all money received pursuant to this section shall augment the support appropriation to the California State University for the fiscal year to which the collections apply.

(b) All money received from the sale or the disposition of real property acquired by or on behalf of a particular state university by gift, devise, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for the acquisition and improvement of real property for the particular state university, in addition to such other amounts as may be appropriated therefor by the Legislature. All money received from the sale or other disposition of personal property, other than money, acquired by or on behalf of a particular state university by gift, bequest, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for, or the acquisition and improvement of real or personal property for, such particular state university, in addition to other amounts as may be appropriated therefor by the Legislature. No money shall be

expended by the trustees under this subdivision without the approval of the Director of Finance. The money shall augment the support or capital outlay appropriation of the California State University current at the date of issuance of the Controller's receipt therefor as may be designated by the trustees prior to their deposit in the State Treasury.

(c) This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 4. Section 89724 of the Education Code, as added by Section 6 of Chapter 254 of the Statutes of 1981, is amended to read:

89724. (a) All money received from the sale of publications pursuant to Section 90500, all money received under an agreement entered into pursuant to Section 89036, and except as to the fees and charges specified in subdivisions (g) and (h) of Section 89721, all money collected as fees from students in any state university and from other persons under Section 89030, Sections 89036 to 89040, inclusive, and Sections 89700, 89705, 89708, 89709, 89720, and 89721, and by reason of Section 2080.9 of the Civil Code, is hereby appropriated for the support of the California State University in addition to such other amounts as may be appropriated therefor by the Legislature. Money received under Sections 89720 and 89721, or received by reason of Section 2080.9 of the Civil Code, is appropriated without regard to fiscal year. Money received by reason of Section 2080.9 of the Civil Code shall be used for student scholarships and loans pursuant to such regulations as the trustees shall provide, and while held pending the grant of a scholarship or loan, may be invested by the Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to such investment shall also be used for those scholarships and loans. Money received by reason of Sections 89720 and 89721 may be invested by the Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code and investment certificates or withdrawal shares in federal or state credit unions which are doing business in this state and which have their accounts insured by the National Credit Union Administration. Any money so invested or deposited shall be invested or deposited in certificates, shares, or accounts fully covered by the insurance. All interest and other earnings received pursuant to the investment of money received by reason of Sections 89720 and 89721 shall also be used for such purposes as may be established by the trustees consistent with the terms and conditions of the gift, bequest, devise, donation, or agreement under Sections 89720 and 89721. Except as otherwise provided with respect to money received by reason of Section 2080.9 of the Civil Code and Sections 89720 and 89721 of this code, all money received pursuant to this section shall augment the support appropriation to the California State University for the fiscal year to which the collections apply.

(b) All money received from the sale or the disposition of real property acquired by or on behalf of a particular state university by gift, devise, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for the acquisition and improvement of real property for the particular state university, in addition to other amounts as may be appropriated therefor by the Legislature. All money received from the sale or other disposition of personal property, other than money, acquired by or on behalf of a particular state university by gift, bequest, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for, or the acquisition and improvement of real or personal property for, such particular state university, in addition to such other amounts as may be appropriated therefor by the Legislature. No money shall be expended by the trustees under this subdivision without the approval of the Director of Finance. The money shall augment the support or capital outlay appropriation of the California State University current at the date of issuance of the Controller's receipt therefor as may be designated by the trustees prior to their deposit in the State Treasury.

(c) This section shall become operative January 1, 1986.

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## CHAPTER 360

An act to amend Section 50078.2 of the Government Code, relating to fire protection.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 50078.2 of the Government Code is amended to read:

50078.2. (a) The ordinance shall establish uniform schedules and rates based upon the type of use of property and the risk classification of the structures or other improvements on, or the use of, the property. The risk classification may include, but need not be limited to, the amount of water required for fire suppression on that property, the structure size, type of construction, structure use, and other factors relating to potential fire and panic hazards and the costs of providing the fire suppression by the district to that property. The assessment shall be related to the benefits to the property assessed.

(b) The benefit assessment levies on land devoted primarily to agricultural, timber, or livestock uses, and being used for the commercial production of agricultural, timber, or livestock products, shall be related to the relative risk to the land and its products. The

amount of the assessment shall recognize normal husbandry practices that serve to mitigate risk, onsite or proximate water availability, response time, capability of the fire suppression service, and such other factors which reflect the benefit to the land resulting from the fire suppression service provided. A benefit assessment shall not be levied for wildland or watershed fire suppression on land located in a state responsibility area as defined in Section 4102 of the Public Resources Code. This subdivision shall not be applicable to any benefit assessment levied prior to January 1, 1984, on land devoted primarily to agricultural, timber, or livestock uses.

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## CHAPTER 361

An act to amend Section 40616 of the Vehicle Code, relating to vehicle offenses.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 40616 of the Vehicle Code is amended to read:

40616. Any person willfully violating a written promise to correct or willfully failing to deliver proof of correction of violation is guilty of a misdemeanor. Proof of correction may consist of a certification by an authorized representative of one of the following agencies that the alleged violation has been corrected:

(a) Brake, lamp, smog device, or muffler violations may be certified as corrected by any station licensed to inspect and certify for the violation pursuant to Article 8 (commencing with Section 9889.15) of Chapter 20.3 of Division 3 of the Business and Professions Code and Section 27150.2.

(b) Driver license and registration violations may be certified as corrected by the Department of Motor Vehicles or by any clerk or deputy clerk of a court.

(c) Any violation may be certified as corrected by a police department, the California Highway Patrol, sheriff, marshal, or other law enforcement agency regularly engaged in enforcement of the Vehicle Code.

## CHAPTER 362

An act to add Section 19161.3 to, and to repeal Section 19089.5 of, the Business and Professions Code, relating to flammability standards.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 19089.5 of the Business and Professions Code is repealed.

SEC. 2. Section 19161.3 is added to the Business and Professions Code, to read:

19161.3. (a) All flexible polyurethane foam offered for sale in this state for use for any purpose, including, but not limited to, use in any article of home furnishings, and any product offered for sale in California, containing flexible polyurethane foam, shall be fire retardant. "Fire retardant," as used in this section, means flexible polyurethane foam that meets both the regulations for flammability adopted by the bureau and meets the requirements of other applicable mandatory federal government flammability standards for polyurethane foam.

(b) The chief, subject to the approval of the director, may in his discretion, exempt from the flammability requirements polyurethane foams intended for medical and other special applications which are deemed not to pose a serious fire hazard. Polyurethane foams exempted from the retardant requirements shall be labeled in a manner approved by the chief.

SEC. 3. No appropriation is made by this act pursuant to Section 2231 or 2234 of the Revenue and Taxation Code or Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be because this act creates a new crime or infraction or eliminates a crime or infraction. Furthermore, this act does not create any present or future obligation to reimburse any local agency or school district for any costs incurred because of this act.

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CHAPTER 363

An act to amend Sections 69948, 70045.6, and 73440 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983.]



*The people of the State of California do enact as follows:*

SECTION 1. Section 69948 of the Government Code is amended to read:

69948. (a) The fee for reporting testimony and proceedings in contested cases is fifty-five dollars (\$55) a day, or any fractional part thereof.

(b) In San Joaquin County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(c) In Madera County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) a day, or any fractional part thereof.

(d) In Kings County, the fee for reporting testimony and proceedings in contested cases is eighty-five dollars (\$85) a day, or any fractional part thereof.

(e) In Mariposa County, the fee for reporting testimony and proceedings in contested cases is ninety-five dollars (\$95) a day, or any fractional part thereof.

(f) In Siskiyou County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(g) In Yuba County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) a day, or any fractional part thereof.

(h) In Butte County, pro tempore reporters shall receive a fee of seventy-five dollars (\$75) a day, or any fractional part thereof, for reporting testimony and proceedings in contested cases.

(i) In Sutter County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) a day, or any fractional part thereof.

(j) In Napa County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(k) In Tehama County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(l) In Monterey County, the fee for reporting testimony and proceedings in contested cases in any court is seventy-five dollars (\$75) a day or any fractional part thereof.

(m) In Nevada County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(n) In Calaveras County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) per day, or any fractional part thereof.

(o) In Placer County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(p) In Sierra County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) per day,

or any fractional part thereof.

(q) In Trinity County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(r) In Humboldt County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) per day, or any fractional part thereof.

(s) In Del Norte County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) per day, or any fractional part thereof.

(t) In Alpine County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(u) In Glenn County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(v) In Colusa County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars (\$75) per day, or any fractional part thereof.

SEC. 1.5. Section 70045.6 of the Government Code is amended to read:

70045.6. (a) In Kern County each regular reporter shall be paid a biweekly salary of one thousand one hundred forty-seven dollars and seventy-four cents (\$1,147.74). The court reporter shall be paid biweekly pursuant to the payroll procedures in effect in the County of Kern.

(b) Beginning January 1, 1980, the board of supervisors may adjust the salary of each regular official reporter as part of its county employee compensation plan. Any adjustment to reporter salaries shall be effective on the same date as the effective date of the board's action to adjust compensation of other county employees. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

(c) In addition to the compensation provided for in this section, each regular official reporter shall be entitled to and shall receive, on the same basis as other county employees the same benefits and privileges with respect to retirement, group insurance, sick leave, and vacations. Court reporters shall observe the same holidays as other court employees. For the purposes of determining participation in the county retirement system, the salary provided for such reporters in this section shall be deemed their entire compensation.

(d) Each pro tempore official reporter shall be paid one hundred dollars (\$100) a day for the days he or she is actually on duty under order of the court.

SEC. 2. Section 73440 of the Government Code is amended to read:

73440. Official reporters in the municipal courts shall be appointed pursuant to Section 72194 and in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in such court, shall receive a salary in the

same sum as is paid the official reporters of the superior court in Kern County.

Each pro tempore official reporter shall be paid one hundred dollars (\$100) a day for the days he is actually on duty under order of the court. Official reporters shall be paid biweekly pursuant to payroll procedures in effect in the County of Kern. Official reporters in the municipal courts shall also be entitled to and shall receive, on the same basis as other county employees, the same benefits and privileges with respect to retirement, group insurance, sick leave, and vacation. Court reporters shall observe the same holidays as other court employees. For the purpose of determining participation in the county retirement system, the salary provided for such reporters in Section 70045.6 shall be deemed their entire compensation.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to secure sufficient court reporters to handle the needs of the court, it is necessary that this act take effect immediately.

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## CHAPTER 364

An act to amend Section 10406 of the Food and Agricultural Code, relating to cattle.

[Approved by Governor July 23, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 10406 of the Food and Agricultural Code is amended to read:

10406. Indemnity shall not be paid to any person in any of the following cases:

(a) For any steer or grade bull which is determined to be a reactor.

(b) For any bovine animal which is brought into a brucellosis control area, that reacts to a brucellosis test which is applied within 90 days after the arrival of the animal in the area as provided for in this chapter.

(c) For any bovine animal which is brought into a brucellosis

control area, in violation of any law, any regulation of the department, or any rule or regulation of the United States Department of Agriculture.

(d) For any reacting bovine animal, until the premises, where the animal had been kept, have been cleaned and disinfected by the owner in a manner which is approved by an agent of the department or of the United States Department of Agriculture.

(e) For any reacting bovine animal which is not slaughtered within 30 days after the animal was appraised.

(f) For any animal which is owned by the United States, this state, or any county or city in the state.

(g) For any bovine animal which was vaccinated for brucellosis after reaching 12 months of age, subsequent to January 1, 1957. However, indemnity shall be provided for any bovine animal that was vaccinated after reaching 12 months of age and that was part of an official whole herd adult vaccination plan approved by the director. "Official whole herd adult vaccination plan" means a plan, approved by the director, whereby all female cattle exceeding 12 months are vaccinated against brucellosis using a reduced dose of strain 19 vaccine and are identified with the appropriate tattoo symbols in the right ear.

(h) If the person has violated any provision of this chapter which relates to a brucellosis control area, or any regulation which is made by the department that relates to such an area.

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## CHAPTER 365

An act to amend Section 48434 to the Education Code, relating to schools.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 48434 of the Education Code is amended to read:

48434. (a) Except as otherwise provided in subdivision (b), such classes shall be maintained during the district's regular school hours, or during special school hours for these classes established by the governing board.

(b) If the school district maintains classes for adults, the governing board of the school district may maintain continuation education classes during such hours and for such length of time during the day or evening as the classes for adults are maintained.

SEC. 2. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose

of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 3. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

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## CHAPTER 366

An act to amend Section 33353.1 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 33353.1 of the Health and Safety Code is amended to read:

33353.1. The fiscal review committee for a redevelopment plan shall be composed of one representative from each of the affected taxing entities. A representative selected by a majority vote of the members of the committee shall chair the committee.

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## CHAPTER 367

An act to amend Section 65913.2 of the Government Code, relating to planning.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 65913.2 of the Government Code is amended to read:

65913.2. In exercising its authority to regulate subdivisions under Division 2 (commencing with Section 66410), a city, county, or city and county shall:

(a) Refrain from imposing criteria for design, as defined in Section 66418, or improvements, as defined in Section 66419, for the purpose of rendering infeasible the development of housing for any and all economic segments of the community. However, nothing in this section shall be construed to enlarge or diminish the authority

of a city, county, or city and county under other provisions of law to permit a developer to construct such housing.

(b) Consider the effect of ordinances adopted and actions taken by it with respect to the housing needs of the region in which the local jurisdiction is situated.

(c) Refrain from imposing standards and criteria for public improvements including, but not limited to, streets, sewers, fire stations, schools, or parks, which exceed the standards and criteria being applied by the city, county, or city and county at that time to its publicly financed improvements located in similarly zoned districts within that city, county, or city and county.

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## CHAPTER 368

An act to amend Section 17510.3 of the Business and Professions Code, relating to charitable solicitations.

[Approved by Governor July 23, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 17510.3 of the Business and Professions Code is amended to read:

17510.3. (a) Prior to any solicitation or sales solicitation for charitable purposes, the solicitor or seller shall exhibit to the prospective donor or purchaser a card entitled "Solicitation or Sale for Charitable Purposes Card." The card shall be signed and dated under penalty of perjury by an individual who is a principal, staff member, or officer of the soliciting organization. The card shall give the name and address of the soliciting organization or the person who signed the card and the name and business address of the paid individual who is doing the actual soliciting.

In lieu of exhibiting a card, the solicitor or seller may distribute during the course of the solicitation any printed material, such as a solicitation brochure, provided such material complies with the standards set forth below, and provided that the solicitor or seller informs the prospective donor or purchaser that such information as required below is contained in the printed material.

Information on the card or printed material shall be presented in at least 10-point type and shall include the following:

(1) The name and address of the combined campaign, each organization, or fund on behalf of which all or any part of the money collected will be utilized for charitable purposes.

(2) If there is no organization or fund, the manner in which the money collected will be utilized for charitable purposes.

(3) The amount, stated as a percentage of the total gift or purchase price, that will be used for charitable purposes.

(4) If paid fund raisers are paid a set fee rather than a percentage of the total amount raised, the card shall show the total cost that is estimated will be used for direct fundraising expenses.

(5) If the solicitation is not a sale solicitation, the card may state, in place of the amount of fundraising expenses, that an audited financial statement of such expenses may be obtained by contacting the organization at the address disclosed.

(6) The nontax-exempt status of the organization or fund, if the organization or fund for which the money or funds are being solicited does not have a charitable tax exemption under both federal and state law.

(7) The percentage of the total gift or purchase price which may be deducted as a charitable contribution under both federal and state law. If no portion is so deductible the card shall state that "This contribution is not tax deductible."

(8) If the organization making the solicitation represents any nongovernmental organization by any name which includes, but is not limited to, the term, "officer," "peace officer," "police," "law enforcement," "reserve officer," "fireman," "firefighter," "deputy," "deputy sheriff," which would reasonably be understood to imply that the organization is composed of law enforcement or safety personnel, the solicitor shall give the total number of members in the organization and the number of members working or living within the county where the solicitation is being made and if the solicitation is for advertising, the statewide circulation of the publication in which the solicited ad will appear.

(b) Knowing and willful noncompliance by any individual volunteer who receives no compensation of any type from or in connection with a solicitation by any charitable organization shall subject the solicitor or seller to the penalties of the law.

(c) When the solicitation is not a sales solicitation, any individual volunteer who receives no compensation of any type from, or in connection with, a solicitation by any charitable organization may comply with the disclosure provisions by providing the name and address of the charitable organization on behalf of which all or any part of the money collected will be utilized for charitable purposes, by stating the charitable purposes for which the solicitation is made, and by stating to the person solicited that information about revenues and expenses of such organization, including its administration and fundraising costs, may be obtained by contacting the organization's office at the address disclosed. Such organization shall provide such information to the person solicited within seven days after receipt of the request.

(d) A volunteer who receives no compensation of any type from, or in connection with, a solicitation or sales solicitation by a charitable organization which has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1954, and who is 18 years of age or younger, is not required to make any disclosures pursuant to this section.

SEC. 2. No appropriation is made by this act pursuant to Section 2231 or 2234 of the Revenue and Taxation Code or Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be because this act creates a new crime or infraction or eliminates a crime or infraction. Furthermore, this act does not create any present or future obligation to reimburse any local agency or school district for any costs incurred because of this act.

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## CHAPTER 369

An act to amend Sections 3712, 3724, 3742.2, 3743, 3744, 3753, 3756, 3762, 3764, 3765, 3766, 3767, 3768, 3769, 6907, and 6916 of, and to repeal Sections 3713, 3742, 3742.1, and 3763 of, the Public Resources Code, relating to geothermal resources.

[Approved by Governor July 25, 1983 Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3712 of the Public Resources Code is amended to read:

3712. This chapter shall be liberally construed to meet its purposes, and the director and the supervisor shall have all powers which may be necessary to carry out the purposes of this chapter.

SEC. 2. Section 3713 of the Public Resources Code is repealed.

SEC. 3. Section 3724 of the Public Resources Code is amended to read:

3724. The owner or operator of any well, before commencing the original drilling of a well or the redrilling of an abandoned well, shall file with the supervisor or the district deputy a written notice of intention to commence drilling, accompanied by the fee prescribed by this section. Drilling shall not commence until approval is given by the supervisor or the district deputy. If the supervisor or the district deputy fails to give the owner or operator written response to the notice within 10 working days, such failure shall be considered as an approval of the notice and the notice shall, for the purposes and intents of this chapter, be deemed a written report of the supervisor. The notice shall contain the following:

(a) The location and elevation of the floor of the proposed derrick.  
(b) The number or other designation by which the well shall be known. Such number or designation shall be subject to the approval of the supervisor.

(c) The owner's or operator's estimate of the depths between which production will be attempted.

(d) Such other pertinent data as the supervisor may require on the printed forms to be supplied by the Division of Oil and Gas, or



on forms acceptable to the supervisor.

After the completion of any well the provisions of this section, other than the requirement of the payment of the fee, shall also apply, as far as may be, to the deepening or redrilling of the well, or any operation involving the plugging of the well, or any operations permanently altering in any manner the casing of the well. The number or designation by which any well heretofore drilled has been known, and the number or designation specified for any well in a notice filed as required by this section, shall not be changed without first obtaining a written consent of the supervisor.

The fee required to be filed for the drilling of a new well or the redrilling of an abandoned well, shall be twenty-five dollars (\$25), two hundred dollars (\$200), five hundred dollars (\$500), or one thousand dollars (\$1,000), to be determined by the supervisor based on the estimated cost of supervising geothermal resources operations.

All moneys received under this chapter shall be deposited in the General Fund.

SEC. 4. Section 3742 of the Public Resources Code is repealed.

SEC. 5. Section 3742.1 of the Public Resources Code is repealed.

SEC. 6. Section 3742.2 of the Public Resources Code is amended to read:

3742.2. Any person having drilled a well or wells on state, federal or private lands which are producing or, according to the supervisor, are capable of producing geothermal resources, may, at any time, apply to the supervisor for a certificate of primary purpose. When the supervisor determines that such well or wells are primarily for the purpose of producing geothermal resources and not for the purpose of producing water usable for domestic and irrigation purposes, the supervisor shall issue a certificate of primary purpose to such person. Such certificate shall establish a rebuttable presumption that such person has absolute title to the geothermal resources reduced to his possession from such well or wells. Such presumption may be rebutted only upon a showing that the water content of the geothermal resources is useful for domestic or irrigation purposes without further treatment thereof, but not by virtue of any production of such water as a by-product incident to the production of the geothermal resources.

SEC. 7. Section 3743 of the Public Resources Code is amended to read:

3743. Whenever the supervisor or a district deputy makes or gives any written direction concerning the drilling, testing, or other operations in any well drilled, in process of drilling, or being abandoned, and the operator, owner, or representative of either, serves written notice, either personally or by mail, addressed to the supervisor, or to the district deputy at his office in the district, requesting that a definite order be made upon such subject, the supervisor or the district deputy shall, within five days after receipt of the notice, deliver a final written order on the subject matter.

SEC. 8. Section 3744 of the Public Resources Code is amended to read:

3744. Within 30 days after service of an order pursuant to Section 3743, the owner or operator shall commence in good faith the work ordered and continue it until completion. If the work has not been commenced and continued to completion, the supervisor shall appoint necessary agents who shall enter the premises and perform the work. An accurate account of the expenditures shall be kept. Any amount so expended shall constitute a lien against the real or personal property of the owner or operator upon which the work is done and such lien shall have the force, effect, and priority of a judgment lien pursuant to the provisions of Section 3772.

SEC. 9. Section 3753 of the Public Resources Code is amended to read:

3753. Upon receipt by the supervisor or by a district deputy of a written complaint, alleging a condition in violation of this chapter, specifically setting forth the condition complained against, signed by the complainant, the supervisor shall make an investigation of the well or wells and make a written report and order, stating the work required to repair the damage complained of, or stating that no work is required.

A copy of the order shall be delivered to the complainant, or if more than one, to each complainant, and, if the supervisor orders the damage repaired a copy of the order shall be delivered to each of the owners, operators, or agents having in charge the well or wells upon which the work is to be done.

The order shall contain a statement of the conditions sought to be remedied or repaired and a statement of the work required by the supervisor to repair the condition. Service shall be made by mailing copies to such persons at the post office address given.

SEC. 10. Section 3756 of the Public Resources Code is amended to read:

3756. Whenever the supervisor finds that it is in the interest of the protection of geothermal resources from unreasonable waste, the lessors, lessees, operators, or other persons owning or controlling royalty or other interests in the separate properties of the same producing or prospective geothermal resources area, may, with the approval of the supervisor, enter into agreements for the purpose of bringing about the cooperative development and operation of all or a part or parts of the area, or for the purpose of bringing about the development or operation of all or a part or parts of such area as a unit, or for the purpose of fixing the time, location, and manner of drilling and operating of wells for the production of geothermal resources. Any such agreement shall bind the successors and assigns of the parties thereto in land affected thereby and shall be enforceable in an action for specific performance. No such agreement when approved by the supervisor hereunder shall be held to violate any of the statutes of this state prohibiting monopolies or acts, arrangements, agreements, contracts, combinations, or

conspiracies in restraint of trade or commerce.

SEC. 11. Section 3762 of the Public Resources Code is amended to read:

3762. The lessor, lessee, or any operator or any well owner, or the owner of any rig, derrick, or other operating structure, or his local agent, shall, within 10 days from the date of the service of any order from the supervisor or a district deputy, either comply with the order or file with the supervisor or the district deputy a written statement that the order is not acceptable, and that appeal from the order is taken to the director under the provisions of this chapter.

The appeal shall operate as a stay of any order issued pursuant to this chapter.

SEC. 12. Section 3763 of the Public Resources Code is repealed.

SEC. 13. Section 3764 of the Public Resources Code is amended to read:

3764. Within 10 days from the taking of the appeal, 10 days' notice in writing shall be given to the appellant of the time and place of the hearing. For good cause, the director may postpone the hearing, on the application of the appellant or the supervisor, or the district deputy, for a period not to exceed 10 days.

SEC. 14. Section 3765 of the Public Resources Code is amended to read:

3765. The director, after hearing, shall affirm, set aside, or modify the order from which the appeal is taken.

Within 10 days after hearing the evidence, the director shall make a written decision with respect to the order appealed from. The decision of the director shall forthwith be filed with the supervisor and upon such filing shall be final. In case the order is affirmed or modified, the director shall retain jurisdiction until such time as the work ordered to be done by the order is finally completed.

The written decision shall be served upon the lessor, lessee, or any operator or any well owner, or the owner of any rig, derrick, or other operating structure, or his local agent, and shall supersede the previous order of the supervisor. In case no written decision is made by the director within 30 days after the date of notice of hearing as provided in Section 3764, the order of the supervisor shall be effective upon the supervisor's notifying any such person that the director has failed to make a decision and subject only to review by writ of certiorari from the superior court as provided in this chapter.

SEC. 15. Section 3766 of the Public Resources Code is amended to read:

3766. The decision of the director may be reviewed by writ of certiorari from the superior court of the county in which the well, or wells, affected by the order is situated, if taken within 10 days after the service of the decision upon the lessor, lessee, or any operator or any well owner, or the owner of any rig, derrick, or other operating structure, or his local agent, as provided in Section 3765, or within 10 days after the decision upon petition by the supervisor. If no written decision is made by the director as specified in Section 3765, the

order of the supervisor may be reviewed by writ of certiorari from the superior court of that county within 10 days after the supervisor notifies any such person of that fact. The writ shall be made returnable not later than 10 days after its issuance and it shall direct the director to certify the director's record in the cause to the court. On the return day the cause shall be heard by the court unless for good cause it is continued, but no continuance shall be permitted for a longer period than 30 days.

SEC. 15.5. Section 3767 of the Public Resources Code is amended to read:

3767. No new or additional evidence shall be introduced in the court, but the cause shall be heard upon the record of the director. The review shall not be extended further than to determine whether or not:

(a) The director or supervisor acted without or in excess of jurisdiction.

(b) The order, decision, or award was procured by fraud.

(c) The order, decision, rule, or regulation is unreasonable.

(d) The order, decision, regulation, or award is clearly unsupported by the evidence.

SEC. 16. Section 3768 of the Public Resources Code is amended to read:

3768. If a review is not taken within 10 days, or if taken, in case the decision of the director, or, if there is no decision, the order of the supervisor, is affirmed, any charge, including penalty and interest thereon, imposed by the director or supervisor shall constitute a lien which, upon recordation or filing pursuant to Section 7171 of the Government Code, attaches to real or personal property. The lien upon the property shall be enforced in the same manner as are other liens on real property and personal property of the debtor. Upon the request of the supervisor, the Controller shall bring an action for the enforcement of the lien in the manner provided in this chapter.

SEC. 17. Section 3769 of the Public Resources Code is amended to read:

3769. In any proceeding instituted by the supervisor for the purpose of enforcing or carrying out the provisions of this chapter, or for the purpose of holding an investigation to ascertain the condition of any well or wells complained of, or which in the opinion of the supervisor may reasonably be presumed to be improperly located, drilled, operated, maintained, or conducted, the supervisor shall have the power to administer oaths and may apply to a judge of the superior court of the county in which the proceeding or investigation is pending, for a subpoena for witnesses to attend the proceeding or investigation. Upon the application of the supervisor, the judge of the superior court shall issue a subpoena directing the witness to attend the proceeding or investigation, and such person shall be required to produce, when directed, all records, surveys, documents, books, or accounts in his custody or under his control;

except that no person shall be required to attend upon such proceeding, unless he resides within the same county or within 100 miles of the place of attendance.

The supervisor may in such case cause the depositions of witnesses residing within or without the state to be taken in the manner prescribed by law for like depositions in civil actions in superior courts of this state, and may, upon application to a judge of the superior court of the county within which the proceeding or investigation is pending, obtain a subpoena compelling the attendance of witnesses and the production of records, surveys, documents, books, or accounts at such places as the judge may designate within the limits prescribed in this section.

SEC. 18. Section 6907 of the Public Resources Code is amended to read:

6907. Where it is determined by the commission that the production or use of geothermal resources is also susceptible of economically producing other of the geothermal resources in commercially valuable quantities, and a market therefor exists, production of such other geothermal resources may be required by the commission.

SEC. 19. Section 6916 of the Public Resources Code is amended to read:

6916. The commission may waive, suspend, or reduce the rental or minimum royalty for the lands included in any permit or lease, or any portion thereof, and waive, suspend, alter, or amend the operating requirements contained in the lease or regulations promulgated hereunder affecting operations of the lease or permit, in the interests of conservation, and to encourage the greatest ultimate recovery of geothermal resources if the commission determines that such action is necessary or beneficial to promote development or finds that the permit or lease cannot be successfully operated under the permit or lease terms or under the regulations. The commission shall file a report with the Legislature annually on all waivers, suspensions, reductions, alterations, or amendments made by the commission pursuant to the provisions of this section together with the reasons therefor.

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## CHAPTER 370

An act to amend Section 490.5 of the Penal Code, relating to shoplifting.

[Approved by Governor July 25, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 490.5 of the Penal Code is amended to read:

490.5. (a) Upon a first conviction for petty theft involving merchandise taken from a merchant's premises or a book or other library materials taken from a library facility, a person shall be punished by a mandatory fine of not less than fifty dollars (\$50) and not more than one thousand dollars (\$1,000) for each such violation; and may also be punished by imprisonment in the county jail, not exceeding six months, or both such fine and imprisonment.

(b) When an unemancipated minor's willful conduct would constitute petty theft involving merchandise taken from a merchant's premises or a book or other library materials taken from a library facility, any merchant or library facility who has been injured by such conduct may bring a civil action against the parent or legal guardian having control and custody of the minor. For the purposes of such actions the misconduct of the unemancipated minor shall be imputed to the parent or legal guardian having control and custody of the minor. The parent or legal guardian having control or custody of an unemancipated minor whose conduct violates this subdivision shall be jointly and severally liable with the minor to a merchant for the retail value of his merchandise, if not recovered in merchantable condition or to a library facility for the fair market value of its book or other library materials, plus damages of not less than fifty dollars (\$50) nor more than five hundred dollars (\$500) plus costs. Recovery of such damages may be had in addition to, and is not limited by, any other provision of law which limits the liability of a parent or legal guardian for the tortious conduct of a minor. An action for recovery of damages, pursuant to this subdivision, may be brought in small claims court if the total damages do not exceed the jurisdictional limit of such court, or in any other appropriate court; however, total damages, including the value of the merchandise or book or other library materials, shall not exceed five hundred dollars (\$500) for each action brought under this section.

The provisions of this subdivision are in addition to other civil remedies and do not limit merchants or other persons to elect to pursue other civil remedies, except that the provisions of Section 1714.1 of the Civil Code shall not apply herein.

(c) When an adult or emancipated minor has unlawfully taken merchandise from a merchant's premises, or a book or other library materials from a library facility, the adult or emancipated minor shall be liable to the merchant or library facility for damages of not less than fifty dollars (\$50) nor more than five hundred dollars (\$500), in addition to the retail value of the merchandise, if not recovered in merchantable condition, or the fair market value of the book or other library materials, if not recovered in undamaged condition, plus costs. An action for recovery of damages, pursuant to this subdivision, may be brought in small claims court if the total damages do not exceed the jurisdictional limit of such court, or in any other

appropriate court. The provisions of this subdivision are in addition to other civil remedies and do not limit merchants or other persons to elect to pursue other civil remedies.

(d) In lieu of the fines prescribed by subdivision (a), any person may be required to perform public services designated by the court, provided that in no event shall any such person be required to perform less than the number of hours of such public service necessary to satisfy the fine assessed by the court as provided by subdivision (a) at the minimum wage prevailing in the state at the time of sentencing.

(e) All fines collected under this section shall be collected and distributed in accordance with Sections 1463 and 1463.1 of the Penal Code; provided, however, that a county may, by a majority vote of the members of its board of supervisors, allocate any amount up to, but not exceeding 50 percent of such fines to the county superintendent of schools for allocation to local school districts. The fines allocated shall be administered by the county superintendent of schools to finance public school programs, which provide counseling or other educational services designed to discourage shoplifting, theft, and burglary. Subject to rules and regulations as may be adopted by the Superintendent of Public Instruction, each county superintendent of schools shall allocate such funds to school districts within the county which submit project applications designed to further the educational purposes of this section. The costs of administration of this section by each county superintendent of schools shall be paid from the funds allocated to the county superintendent of schools.

(f) (1) A merchant may detain a person for a reasonable time for the purpose of conducting an investigation in a reasonable manner whenever the merchant has probable cause to believe the person to be detained is attempting to unlawfully take or has unlawfully taken merchandise from the merchant's premises.

A person employed by a library facility may detain a person for a reasonable time for the purpose of conducting an investigation in a reasonable manner whenever the person employed by a library facility has probable cause to believe the person to be detained is attempting to unlawfully remove or has unlawfully removed books or library materials from the premises of the library facility.

(2) In making the detention a merchant or a person employed by a library facility may use a reasonable amount of nondeadly force necessary to protect himself or herself and to prevent escape of the person detained or the loss of property.

(3) During the period of detention any items which a merchant or any items which a person employed by a library facility has probable cause to believe are unlawfully taken from the premises of the merchant or library facility and which are in plain view may be examined by the merchant or person employed by a library facility for the purposes of ascertaining the ownership thereof.

(4) A merchant, a person employed by a library facility, or an

agent thereof, having probable cause to believe the person detained was attempting to unlawfully take or has taken any item from the premises, may request the person detained to voluntarily surrender the item. Should the person detained refuse to surrender the item of which there is probable cause to believe has been unlawfully taken from the premises, or attempted to be unlawfully taken from the premises, a limited and reasonable search may be conducted by those authorized to make the detention in order to recover the item. Only packages, shopping bags, handbags or other property in the immediate possession of the person detained, but not including any clothing worn by the person, may be searched pursuant to this subdivision. Upon surrender or discovery of the item, the person detained may also be requested, but may not be required, to provide adequate proof of his or her true identity.

(5) A peace officer who accepts custody of a person arrested for an offense contained in this section may, subsequent to the arrest, search the person arrested and his or her immediate possessions for any item or items alleged to have been taken.

(6) In any civil action brought by any person resulting from a detention or arrest by a merchant, it shall be a defense to such action that the merchant detaining or arresting such person had probable cause to believe that the person had stolen or attempted to steal merchandise and that the merchant acted reasonably under all the circumstances.

In any civil action brought by any person resulting from a detention or arrest by a person employed by a library facility, it shall be a defense to such action that the person employed by a library facility detaining or arresting such person had probable cause to believe that the person had stolen or attempted to steal books or library materials and that the person employed by a library facility acted reasonably under all the circumstances.

(g) As used in this section:

(1) "Merchandise" means any personal property, capable of manual delivery, displayed, held or offered for retail sale by a merchant.

(2) "Merchant" means an owner or operator, and the agent, consignee, employee, lessee, or officer of an owner or operator, of any premises used for the retail purchase or sale of any personal property capable of manual delivery.

(3) The terms "book or other library materials" include any book, plate, picture, photograph, engraving, painting, drawing, map, newspaper, magazine, pamphlet, broadside, manuscript, document, letter, public record, microform, sound recording, audiovisual material in any format, magnetic or other tape, electronic data-processing record, artifact, or other documentary, written or printed material regardless of physical form or characteristics, or any part thereof, belonging to, on loan to, or otherwise in the custody of a library facility.

(4) The term "library facility" includes any public library; any



library of an educational, historical or eleemosynary institution, organization or society; any museum; any repository of public records.

(h) Any library facility shall post at its entrance and exit a conspicuous sign to read as follows:

IN ORDER TO PREVENT THE THEFT OF BOOKS AND LIBRARY MATERIALS, STATE LAW AUTHORIZES THE DETENTION FOR A REASONABLE PERIOD OF ANY PERSON USING THESE FACILITIES SUSPECTED OF COMMITTING "LIBRARY THEFT" (PENAL CODE SECTION 490.5).

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## CHAPTER 371

An act to amend Section 11343 of, and to add Section 11347 to, the Welfare and Institutions Code, relating to aid to families with dependent children, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 11343 of the Welfare and Institutions Code is amended to read:

11343. In order to ensure that effective services are provided, program contracts shall be entered into by the department only with eligible entities that are willing to enter into negotiated fixed-fee performance contracts, in accordance with the formula expressed below. Advance progress payments not to exceed 25 percent of the annual contract amount will be permitted to cover initial startup training costs, to be paid in monthly installments.

The fee paid to contractors shall be computed on the basis of the number of clients who obtain or are placed into training-related employment that lasts at least 90 days. The fee for each such placement shall not exceed the last reported statewide average annual grant for an AFDC family of three with no outside income.

SEC. 2. Section 11347 is added to the Welfare and Institutions Code, to read:

11347. This article shall remain in effect only until December 31, 1986, and as of that date is repealed, unless a later enacted statute which is chaptered before December 31, 1986, deletes or extends that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The funds now available to train and place long-term AFDC

recipients in unsubsidized employment cannot be used for this purpose due to the unrealistic contractor reimbursement formula mandated in existing law. In order to change the formula and to allow these persons to be trained and employed at the earliest possible time, it is necessary for this act to take effect immediately.

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## CHAPTER 372

An act to amend Section 22661 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 25, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 22661 of the Vehicle Code is amended to read:

22661. Any ordinance establishing procedures for the removal of abandoned vehicles shall contain all of the following provisions:

(a) The requirement that notice be given to the Department of Motor Vehicles within five days after the date of removal, identifying the vehicle or part thereof and any evidence of registration available, including, but not limited to, the registration card, certificates of ownership, or license plates.

(b) Making the ordinance inapplicable to (1) a vehicle or part thereof which is completely enclosed within a building in a lawful manner where it is not visible from the street or other public or private property or (2) a vehicle or part thereof which is stored or parked in a lawful manner on private property in connection with the business of a licensed dismantler, licensed vehicle dealer, or a junkyard. This exception shall not, however, authorize the maintenance of a public or private nuisance as defined under provisions of law other than this chapter.

(c) The requirement that not less than a 10-day notice of intention to abate and remove the vehicle or part thereof as a public nuisance be issued, unless the property owner and the owner of the vehicle have signed releases authorizing removal and waiving further interest in the vehicle or part thereof. However, the notice of intention is not required for removal of a vehicle or part thereof which is inoperable due to the absence of a motor, transmission, or wheels and incapable of being towed, is valued at less than two hundred dollars (\$200) by a person specified in Section 22855, and is determined by the local agency to be a public nuisance presenting an immediate threat to public health or safety, provided that the property owner has signed a release authorizing removal and waiving further interest in the vehicle or part thereof. Prior to final disposition under Section 22662 of such a low-valued vehicle or part

for which evidence of registration was recovered pursuant to subdivision (a), the local agency shall provide notice to the registered and legal owners of intent to dispose of the vehicle or part, and if the vehicle or part is not claimed and removed within 12 days after the notice is mailed, from a location specified in Section 22662, final disposition may proceed. No local agency or contractor thereof shall be liable for damage caused to a vehicle or part thereof by removal pursuant to this section.

This subdivision applies only to inoperable vehicles located upon a parcel that is (1) zoned for agricultural use or (2) not improved with a residential structure containing one or more dwelling units.

(d) The 10-day notice of intention to abate and remove a vehicle or part thereof, when required by this section, shall contain a statement of the hearing rights of the owner of the property on which the vehicle is located and of the owner of the vehicle. The statement shall include notice to the property owner that he may appear in person at a hearing or may submit a sworn written statement denying responsibility for the presence of the vehicle on the land, with his reasons for such denial, in lieu of appearing. The notice of intention to abate shall be mailed, by registered or certified mail, to the owner of the land as shown on the last equalized assessment roll and to the last registered and legal owners of record unless the vehicle is in such condition that identification numbers are not available to determine ownership.

(e) The requirement that a public hearing be held before the governing body of the city, county, or city and county, or any other board, commissioner, or official of the city, county, or city and county as designated by the governing body, upon request for such a hearing by the owner of the vehicle or the owner of the land on which such vehicle is located. This request shall be made to the appropriate public body, agency, or officer within 10 days after the mailing of notice of intention to abate and remove the vehicle or at the time of signing a release pursuant to subdivision (c). If the owner of the land on which the vehicle is located submits a sworn written statement denying responsibility for the presence of the vehicle on his land within such time period, this statement shall be construed as a request for hearing which does not require the presence of the owner submitting such request. If such a request is not received within such period, the appropriate public body, agency, or officer shall have the authority to remove the vehicle.

(f) The requirement that after a vehicle has been removed, it shall not be reconstructed or made operable, unless it is a vehicle which qualifies for either horseless carriage license plates or historical vehicle license plates, pursuant to Section 5004, in which case the vehicle may be reconstructed or made operable.

(g) Authorizing the owner of the land on which the vehicle is located to appear in person at the hearing or present a sworn written statement denying responsibility for the presence of the vehicle on the land, with his reasons for such denial. If it is determined at the

hearing that the vehicle was placed on the land without the consent of the landowner and that he has not subsequently acquiesced in its presence, then the local authority shall not assess costs of administration or removal of the vehicle against the property upon which the vehicle is located or otherwise attempt to collect such cost from such owner.

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## CHAPTER 373

An act to amend Section 13837 of the Penal Code, relating to crimes.

[Approved by Governor July 25, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 13837 of the Penal Code is amended to read: 13837. The Office of Criminal Justice Planning shall provide grants to proposed and existing local rape, child sexual exploitation, and child sexual abuse victim counseling centers and prevention programs. Grant recipients shall provide appropriate in-person counseling and referral services during normal business hours, and maintain other standards or services which shall be determined to be appropriate by the advisory committee established pursuant to Section 13836 as grant conditions. Rape victim counseling centers shall provide a 24-hour telephone counseling service for sex crime victims. The advisory committee shall identify the criteria to be utilized in awarding the grants provided by this chapter before any funds are allocated.

In order to be eligible for funding pursuant to this chapter, the centers shall demonstrate an ability to receive and make use of any funds available from governmental, voluntary, philanthropic, or other sources which may be used to augment any state funds appropriated for purposes of this chapter. Each center receiving funds pursuant to this chapter shall make every attempt to qualify for any available federal funding.

State funds provided to establish centers shall be utilized when possible, as determined by the advisory committee, to expand the program and shall not be expended to reduce fiscal support from other public or private sources. The centers shall maintain quarterly and final fiscal reports in a form to be prescribed by the administering agency. In granting funds, the advisory committee shall give priority to centers which are operated in close proximity to medical treatment facilities.

## CHAPTER 374

An act to add Article 4.4 (commencing with Section 20027) to Chapter 5.5 of Division 8 of the Business and Professions Code, relating to franchises.

[Approved by Governor July 25, 1983 Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Article 4.4 (commencing with Section 20027 is added to Chapter 5.5 of Division 8 of the Business and Professions Code, to read:

Article 4.4. Transfers

20027. (a) No franchisor shall deny the surviving spouse, heirs, or estate of a deceased franchisee or the majority shareholder of the franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee or majority shareholder of the franchisee. During that time the surviving spouse, heirs, or estate of the deceased shall either satisfy all of the then current qualifications for a purchaser of a franchise or sell, transfer, or assign the franchise to a person who satisfies the franchisor's then current standards for new franchisees. The rights granted pursuant to this section shall be granted subject to the surviving spouse, heirs or estate of the deceased maintaining all standards and obligations of the franchise.

(b) Nothing in subdivision (a) shall prohibit a franchisor from exercising the right of first refusal to purchase a franchise after receipt of a bona fide offer to purchase the franchise by a proposed purchaser of the franchise.

(c) This article shall not apply to any agreement or contract in effect prior to January 1, 1984, except an agreement or contract of an indefinite duration. This section shall not apply to any bequest or intestate succession that took effect prior to January 1, 1984.

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CHAPTER 375

An act to amend Sections 3724, 3724.1, and 3757.2 of, and to add Sections 3724.5 and 3724.6 to, the Public Resources Code, relating to geothermal resources.

[Approved by Governor July 25, 1983 Filed with  
Secretary of State July 25, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 3724 of the Public Resources Code is amended to read:

3724. The owner or operator of any well, before commencing the original drilling of a well or the redrilling of an abandoned well, shall file with the supervisor or the district deputy a written notice of intention to commence drilling, accompanied by the prescribed fee. Drilling shall not commence until approval is given by the supervisor or the district deputy. If the supervisor or the district deputy fails to give the owner or operator written response to the notice within 10 working days, such failure shall be considered as an approval of the notice and the notice shall, for the purposes and intents of this chapter, be deemed a written report of the supervisor. The notice shall contain the following:

- (a) The location and elevation of the floor of the proposed derrick.
- (b) The number or other designation by which the well shall be known. Such number or designation shall be subject to the approval of the supervisor.
- (c) The owner's or operator's estimate of the depths between which production will be attempted.
- (d) Such other pertinent data as the supervisor may require.

After the completion of any well, the provisions of this section, other than the requirement of the payment of the fee, shall also apply, as far as may be, to the deepening or redrilling of the well, or any operation involving the plugging of the well, or any operations permanently altering in any manner the casing of the well. The number or designation by which any well heretofore drilled has been known, and the number or designation specified for any well in a notice filed as required by this section, shall not be changed without first obtaining a written consent of the supervisor.

As set forth by regulation, the appropriate fee to be filed for the drilling of a new well or the redrilling of an abandoned well, shall be twenty-five dollars (\$25), two hundred dollars (\$200), five hundred dollars (\$500), or one thousand dollars (\$1,000).

The fee shall be paid as provided in Section 3724.6.

SEC. 2. Section 3724.1 of the Public Resources Code is amended to read:

3724.1. An owner or operator may submit to the supervisor for approval a written program to drill a shallow well or wells for geothermal observation purposes. In order to qualify under this section, a program shall contain not more than 25 wells and the maximum total depth of each of these wells shall not exceed 250 feet. Each program submitted for approval shall include:

- (a) Well numbers.
- (b) Well locations and elevations.
- (c) Geologic interpretation of the area under investigation, including any known or inferred temperature data.
- (d) Such other data as may be required by the supervisor.

The fee required to be filed for the drilling of these shallow wells shall be twenty-five dollars (\$25) per well or two hundred dollars (\$200) per program, whichever is the lesser.

The fee shall be paid as provided in Section 3724.6.

SEC. 3. Section 3724.5 is added to the Public Resources Code, to read:

3724.5. To provide funds for the supervision of geothermal resource wells, the supervisor shall establish an annual well fee to be applied on an equal basis to all wells as provided under this section.

The annual well fee shall be imposed upon each producing, service, and idle well that existed at any time during the calendar year preceding the statewide fee-assessment date. However, the annual well fee shall not apply to wells described in Section 3724.1 and to the wells for which the supervisor has approved suspension. The annual well fee shall be established so that the sum of the annual well fees plus the estimated sum of those well permit fees provided in Sections 3724 and 3724.1 are equal to the appropriation for the supervision of geothermal resource wells as provided in the Governor's Budget. The establishment of the annual well fee shall take into account any budget adjustments for actual expenditures in the current and prior fiscal year. Any budget change proposal for support of the provisions of this chapter shall be submitted by the supervisor to geothermal operators for review and comment. A system for determining the fee and administering the fee collection shall be adopted by the supervisor by regulation after public hearing.

SEC. 4. Section 3724.6 is added to the Public Resources Code, to read:

3724.6. The permit application fees established in Sections 3724 and 3724.1 shall be made payable by the operator to the Department of Conservation, and the annual well fee established in accordance with Section 3724.5 shall be made payable to the Treasurer. The proceeds from the permit applications and the annual well fees shall be deposited in the General Fund, and shall be available for appropriation exclusively for the supervision of geothermal resource wells.

SEC. 5. Section 3757.2 of the Public Resources Code is amended to read:

3757.2. For the purpose of developing low-temperature geothermal resources, the supervisor may approve the exemption of any low-temperature geothermal well from Sections 3721, 3722, 3723, 3723.5, 3724.5, 3725.5, and 3745, if the resource is used domestically or in a noncommercial manner. The supervisor may also approve the drilling of low-temperature geothermal wells at whatever locations he deems advisable, if no well is drilled or permitted to produce which is located within 15 feet of the outer boundary of the parcel of land on which the well is situated or within 15 feet of a public road, street, or highway dedicated prior to the commencement of drilling.

## CHAPTER 376

An act to amend Sections 4505, 4510, 4511, 4531, 4544, 4545, and 4545.3 of, and to repeal Section 4509 of, the Business and Professions Code, relating to psychiatric technicians.

[Approved by Governor July 25, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 4505 of the Business and Professions Code is amended to read:

4505. Except as provided by Section 159.5, the board may employ whatever personnel is necessary for the administration of this chapter.

SEC. 2. Section 4509 of the Business and Professions Code is repealed.

SEC. 3. Section 4510 of the Business and Professions Code is amended to read:

4510. The board shall issue a psychiatric technician's license to each applicant who qualifies therefor, and, if required to take it, successfully passes the examination given pursuant to this chapter. The board shall also issue a psychiatric technician's license to each holder of a psychiatric technician license who qualifies for renewal pursuant to this chapter and who applies for renewal.

SEC. 4. Section 4511 of the Business and Professions Code is amended to read:

4511. An applicant for a psychiatric technician's license shall have the following qualifications:

(a) Be at least 18 years of age.

(b) Have successfully completed an approved general education course of study through the 12th grade or the equivalent thereof as determined by the board.

(c) Have successfully completed (1) a prescribed course of study and training in a school accredited by the board, which course of study and training shall combine the nursing knowledge and skills necessary for the care of any ill person and in addition those special skills necessary for the care of the mentally disabled and the developmentally disabled, or (2) a course of study and training which, together with previously acquired training or experience, is determined by a school accredited by the board to be equivalent in academic credits to its regular program for psychiatric technician training, or (3) have completed a course of study and training which in the opinion of the board is equivalent to the minimum requirements of an accredited program for psychiatric technicians in the state. Clinical inpatient experience shall be an integral part of any such prescribed or equivalent course of study and training.

(d) Have committed no act which, if committed by a licensed



psychiatric technician, would be ground for disciplinary action.

SEC. 5. Section 4531 of the Business and Professions Code is amended to read:

4531. The course of instruction of an accredited school shall consist of not less than the number of hours of instruction required for the other program administered by the board. The subjects of instruction shall include the principles of the care of the mentally disabled and the developmentally disabled. Clinical inpatient experience shall be an integral part of any such prescribed or equivalent course of study and training. Such experience shall be obtained in a state hospital, except where the board finds that such requirement is not feasible due either to the distance of a state hospital from the school or the unavailability, as determined by the Department of Developmental Services or the Department of Mental Health, of state hospital clinical training placements.

SEC. 6. Section 4544 of the Business and Professions Code is amended to read:

4544. A license expires each year on that date prescribed by the board, if not renewed. To renew an unexpired license the holder thereof shall, on or before each of the dates on which it would otherwise expire, apply for renewal on a form prescribed by the board, and pay the renewal fee prescribed by this chapter.

SEC. 7. Section 4545 of the Business and Professions Code is amended to read:

4545. Except as provided in Section 4545.2, a license which has expired may be renewed at any time within four years after its expiration on filing an application for renewal on a form prescribed by the board, and payment of the renewal fee in effect on the last regular renewal date. If the license is renewed more than 30 days after its expiration, the holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 4544 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

A certificate which was forfeited for failure to renew under the law in effect before October 1, 1961, shall, for the purposes of this article, be considered to have expired on the date that it became forfeited.

SEC. 8. Section 4545.3 of the Business and Professions Code is amended to read:

4545.3. A certificate and the holder thereof are subject to this section in the same manner as are a license and the holder thereof.

A license which is not renewed within four years after its expiration may not be renewed, restored, reinstated, or reissued thereafter, but the holder may apply for and obtain a new license if:

(a) No fact, circumstance, or condition exists which would justify

denial of the license under Section 480.

(b) He pays all of the fees which would be required of him if he were then applying for a license for the first time, and

(c) He takes and passes the examination, if any, which would be required of him if he were then applying for the license for the first time, or otherwise establishes to the satisfaction of the board that, with due regard for the public interest, he is qualified to perform the services described in Section 4502.

The board may, by appropriate regulation, provide for the waiver or refund of all or any part of the application fee in those cases in which a license is issued without an examination under this section.

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## CHAPTER 377

An act to amend Sections 1731 and 1756 of the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor July 25, 1983. Filed with  
Secretary of State July 25, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1731 of the Public Utilities Code is amended to read:

1731. (a) The commission shall set an effective date when issuing an order or decision. The commission may set the effective date of an order or decision prior to the date of issuance of the order or decision.

(b) After any order or decision has been made by the commission, any party to the action or proceeding, or any stockholder or bondholder or other party pecuniarily interested in the public utility affected, may apply for a rehearing in respect to any matters determined in the action or proceeding and specified in the application for rehearing. The commission may grant and hold a rehearing on those matters, if in its judgment sufficient reason is made to appear. No cause of action arising out of any order or decision of the commission shall accrue in any court to any corporation or person unless the corporation or person has filed an application to the commission for a rehearing within 30 days after the date of issuance or within 10 days after the date of issuance in the case of an order issued pursuant to Article 5 (commencing with Section 816) and Article 6 (commencing with Section 851) of Chapter 4 relating to security transactions and the transfer or encumbrance of utility property. For purposes of this article, "date of issuance" means the date when the commission mails the order or decision to the parties to the action or proceeding.

SEC. 2. Section 1756 of the Public Utilities Code is amended to read.

1756. Within 30 days after the commission issues its decision denying the application for a rehearing, or, if the application was granted, then within 30 days after the commission issues its decision on rehearing, the applicant may apply to the Supreme Court of this state for a writ of certiorari or review for the purpose of having the lawfulness of the original order or decision or of the order or decision on rehearing inquired into and determined. The writ shall be made returnable at a time and place then or thereafter specified by court order and shall direct the commission to certify its record in the case to the court within the time therein specified. For purposes of this article, the date upon which the commission issues its decision denying rehearing, or issues its decision on rehearing, is the date when the commission mails the decision to the parties to the action or proceeding.

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## CHAPTER 378

An act to amend Sections 14006.5, 14006.6, and 14008 of the Food and Agricultural Code, relating to economic poisons.

[Approved by Governor July 25, 1983. Filed with  
Secretary of State July 26, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 14006.5 of the Food and Agricultural Code is amended to read:

14006.5. Except as provided in Section 14006.6, no person shall use or possess any pesticide designated as a restricted material for any agricultural use except under a written permit of the commissioner. No permit shall be issued for any restricted material for use in any manner other than pursuant to its registration without the approval of the director. In addition, no permit shall be granted if the commissioner determines that the provisions of subdivision (a), (b), or (c) of Section 12825 would be applicable to the proposed use.

Before issuing a permit for any pesticide the commissioner shall consider local conditions including, but not limited to, the following:

- (a) Use in vicinity of schools, dwellings, hospitals, recreational areas, and livestock enclosures.
- (b) Problems related to heterogeneous planting of crops.
- (c) Applications of materials known to create severe resurgence or secondary pest problems without compensating control of pest species.
- (d) Meteorological conditions for use.
- (e) Timing of applications in relation to bee activity.
- (f) Provisions for proper storage of pesticides and disposal of containers.

Each permit issued for any pesticide shall include conditions for

use in writing.

SEC. 2. Section 14006.6 of the Food and Agricultural Code is amended to read:

14006.6. (a) A permit shall not be required for the agricultural use of any pesticide not designated as a restricted material unless the commissioner determines that its use will present an undue hazard when used under local conditions.

(b) Permits for the use of pesticides shall not be required of persons found to be qualified by the director who are engaged in experimentation or research on the use of pesticides, where no charge is made to the person in charge of the property treated.

(c) A permit shall not be required for the possession of pesticides by a registrant, as defined in Section 12755, or by a licensed pesticide dealer when operating pursuant to the registration or the license; by commercial warehouses storing pesticides; or for the possession and use of these materials when specifically exempted by regulation of the director in cases in which the mitigation measures provided by the permit system are not necessary to avoid injury to the environment, or to any person, animal, crop, or property.

SEC. 3. Section 14008 of the Food and Agricultural Code is amended to read:

14008. Any permit may be refused, revoked, or suspended for violation of any of the conditions of the permit, or of a previous permit, or for violation of any provision of this division or of the regulations which are issued pursuant to it.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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## CHAPTER 379

An act to add Section 12827.5 to the Food and Agricultural Code, relating to economic poisons.

[Approved by Governor July 25, 1983. Filed with  
Secretary of State July 26, 1983.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 12827.5 is added to the Food and Agricultural Code, to read:

12827.5. Whenever the director cancels the registration of, or refuses to register, any economic poison currently registered by the

United States Environmental Protection Agency, the director shall provide the applicant or registrant with the basis for the decision and the reasons why a conclusion different from, contrary to, or inconsistent with, the conclusion and findings of the United States Environmental Protection Agency was reached.

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## CHAPTER 380

An act to amend Sections 1609, 1612, 1615, 1618, 1626, 1627, 1628.5, and 1633.5 of, to amend and renumber Section 1679 of, to add and repeal Section 1626.3 of, and to repeal Sections 1635 and 1652 of the Business and Professions Code, relating to dentistry.

[Approved by Governor July 25, 1983 Filed with  
Secretary of State July 26, 1983 ]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1609 of the Business and Professions Code is amended to read:

1609. Meetings may be held at any time and place by unanimous consent evidenced either by writing or by the presence of any member whose consent is necessary.

SEC. 2. Section 1612 of the Business and Professions Code is amended to read:

1612. The board shall keep a record of the names of all persons to whom licenses have been granted by it to practice dentistry, and such other records as may be necessary to show plainly all of its acts and proceedings.

SEC. 3. Section 1615 of the Business and Professions Code is amended to read:

1615. Each member of the board shall receive a per diem and expenses as provided in Section 103.

The secretary shall be entitled to traveling and other expenses necessary in the performance of his duties.

The secretary shall not receive a salary for acting in such capacity.

SEC. 4. Section 1618 of the Business and Professions Code is amended to read:

1618. The original books, records and papers of the board shall be kept at the office of the secretary, which shall be at such place as may be designated by the board.

The secretary shall furnish to any person making application therefor a copy of any part thereof, certified by him as secretary, upon payment of the fee specified in Section 163. The fee shall be deposited in the State Treasury to the credit of the board.

SEC. 5. Section 1626 of the Business and Professions Code is amended to read:

1626. It is unlawful for any person to engage in the practice of

dentistry in the state, either privately or as an employee of a governmental agency or political subdivision, unless the person has obtained a license or special permit from the board.

The following practices, acts and operations, however, are exempt from the operation of this chapter:

(a) The practice of oral surgery by a physician and surgeon licensed under the Medical Practice Act.

(b) The operations by bona fide students of dentistry or dental hygiene in the clinical departments or the laboratory of a reputable dental college approved by the Board of Dental Examiners, including operations by unlicensed students while engaged in dental extension programs which have been approved by a school of dentistry, and approved by the Board of Dental Examiners, and which are offered by the educational institution comprising the approved school of dentistry, and which are under the general programmatic and academic supervision of such school of dentistry.

(c) The practice of dentistry by licensed dentists of other states or countries while appearing and operating as bona fide clinicians or instructors in dental colleges approved by the Board of Dental Examiners.

(d) The practice of dentistry by licensed dentists of other states or countries in conducting or making a clinical demonstration before any bona fide dental or medical society, association or convention; provided, however, the consent of the Board of Dental Examiners to the making and conducting of such clinical demonstration must be first had and obtained.

(e) The construction, making, alteration or repairing of bridges, crowns, dentures, or other prosthetic appliances, or orthodontic appliances, when the casts or impressions for this work have been made or taken by a licensed dentist, but a written authorization signed by a licensed dentist shall accompany the order for the work or it shall be performed in the office of a licensed dentist under his supervision. The burden of proving written authorization or direct supervision is upon the person charged with the violation of this chapter.

It is unlawful for any person acting under the exemption of this subdivision (e) to represent or hold out to the public in any manner that he will perform or render any of the services exempted by this subdivision that are rendered or performed under the provisions of this chapter by a licensed dentist, including the construction, making, alteration or repairing of dental prosthetic or orthodontic appliances.

(f) The manufacture or sale of wholesale dental supplies.

(g) The practice of dentistry or dental hygiene by applicants during a licensing examination conducted in this state by the licensing agency of another state which does not have a dental school; provided, however, that the consent of the board to the conducting of such examination shall first have been obtained and that the examination shall be conducted in a dental college

accredited by the board.

(h) The practice by personnel of the Air Force, Army, Coast Guard, or Navy or employees of the United States Public Health Service, Veterans' Administration, or Bureau of Indian Affairs when engaged in the discharge of official duties.

SEC. 6. Section 1626.3 is added to the Business and Professions Code, to read:

1626.3. Notwithstanding any other provision of law, a dentist who holds a current and valid license or certificate in any state or country who is serving as a dentist for any team participating in "The Games of the XXIIIrd Olympiad" in California may engage in the practice of dentistry and is exempted from licensure provided that the practice is limited exclusively to the care and treatment of Olympic team members. Except to the extent authorized by this section, the Olympic team dentist shall not engage in the practice of dentistry unless he or she has been licensed to practice dentistry in California.

Each dentist designated as an Olympic team dentist not holding a current and valid California license shall submit to the board evidence of licensure or certification from a state in the United States or from a foreign country. The designated dentist shall also submit a current curriculum vitae.

The board may, after review of the submitted documents, provide the designated dentist with a permit to practice dentistry within the foregoing limitations for the period July 14 to August 15, 1984.

This section shall be operative until August 16, 1984 and on that date is repealed.

SEC. 7. Section 1627 of the Business and Professions Code is amended to read:

1627. The license of any dentist, existing at the time of the passage of this chapter, shall continue in force until it expires or is forfeited in the manner provided by this chapter.

SEC. 8. Section 1628.5 of the Business and Professions Code is amended to read:

1628.5. The board may deny an application to take an examination for licensure as a dentist or dental auxiliary or an application for registration as a dental corporation if the applicant has done any of the following:

(a) Committed any act which would be grounds for the suspension or revocation of a license issued pursuant to this code.

(b) Committed any act or been convicted of a crime constituting grounds for denial of licensure or registration under Section 480.

(c) While unlicensed, committed, or aided and abetted the commission of, any act for which a license is required by this chapter.

(d) Suspension or revocation of a license issued by a sister state or territory on grounds which would constitute a basis for suspension or revocation of licensure in this state

The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall

have all the powers granted therein.

SEC. 9. Section 1633.5 of the Business and Professions Code is amended to read:

1633.5. Notwithstanding any other provision of this chapter, the board may require each applicant to successfully complete the National Board of Dental Examiners' written examination administered by the National Board of Dental Examiners as evidenced by a receipt of a certificate from that board. Notwithstanding Section 1633, an applicant who successfully completed such examination shall be exempt from further written examination requirements; provided, however, that nothing in this section shall be construed to prevent the board from administering the oral diagnosis and treatment planning examination in written form.

SEC. 10. Section 1635 of the Business and Professions Code is repealed.

SEC. 11. Section 1652 of the Business and Professions Code is repealed.

SEC. 12. Section 1679 of the Business and Professions Code is amended and renumbered to read:

1670.1. Any licentiate under this chapter may have his or her license revoked or suspended or be reprimanded or be placed on probation by the board for conviction of a crime substantially related to the qualifications, functions, or duties of a dentist or dental auxiliary, in which case the record of conviction or a certified copy thereof, certified by the clerk of the court or by the judge in whose court the conviction is had, shall be conclusive evidence.

The board shall undertake proceedings under this section upon the receipt of a certified copy of the record of conviction. A plea or verdict of guilty or a conviction following a plea of *nolo contendere* made to a charge of a felony or of any misdemeanor substantially related to the qualifications, functions, or duties of a dentist or dental auxiliary is deemed to be a conviction within the meaning of this section. The board may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under any provision of the Penal Code, including, but not limited to, Section 1203.4 of the Penal Code, allowing such person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.